BC ASSESSMENT

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ANNUAL REPORT

The Annual Service Plan Report for the Year 2004 and a Report on the Creation of the 2005 Assessment Roll. The Financial Statements for year ended December 31, 2004.

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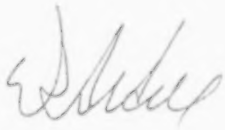
ACCOUNTABILITY STATEMENT

The 2004 Annual Service Plan Report was prepared under our direction in accordance with the *Budget Transparency and Accountability Act*. We are accountable for the contents of the report, including the selection of performance measures and how the results have been reported. The information presented reflects the actual performance of the Crown agency for the twelve months ended December 31, 2004. All significant decisions, events and identified risks, as of December 31, 2004 have been considered in preparing the report.

The information presented is prepared in accordance with the BC Reporting Principles and represents a comprehensive picture of our actual performance in relation to our Service Plan.

James M.I. Bruce
CHAIR, ON BEHALF OF THE
BOARD OF DIRECTORS



Doug Rundell
CHIEF EXECUTIVE OFFICER AND
ASSESSMENT COMMISSIONER

VISION, MISSION, VALUES

VISION

We will be the leading property assessment organization internationally and the first choice for property information in British Columbia.

MISSION

We produce uniform property assessments that form the basis for local and provincial taxation while providing information to assist people when making real estate decisions.

VALUES

We are guided by our commitment to:

- **Quality** in our products, services, and work life;
- **Accountability** for our actions and results;
- **Service** that is responsive and sensitive; and
- **Teamwork** in working together as one team and partnering with our clients.

QUALITY, ACCOUNTABILITY, SERVICE, TEAMWORK

May 31, 2005

The Honourable George Abbott
Minister of Sustainable Resource Management
Legislative Buildings
Victoria, British Columbia V8V 1X4

Dear Minister:

On behalf of BC Assessment, we have the pleasure to submit our Annual Service Plan Report for the Year 2004 and its Report on the Creation of the 2005 Assessment Roll.

The Financial Statements for the year ended December 31, 2004 in accordance with Section 21 of the *Assessment Authority Act* are also included in this report.

James M.I. Bruce
CHAIR OF THE
BOARD OF DIRECTORS

Doug Rundell
CHIEF EXECUTIVE OFFICER AND
ASSESSMENT COMMISSIONER

On behalf of the Board of Directors, I am pleased to present the 2004 Annual Service Plan Report that details a challenging, albeit successful, year for BC Assessment.

In March 2005, I was appointed Chair of the Board of Directors. I joined six Board members that were reappointed, Bill Baird, David Clark, Carol Alter Kerfoot, Chris Nicolls, Helen Sparkes, and Lillian White and three new Board members, Anna Nyarady, George Puil, and Brian Romer.

I speak for all the new Board members by saying that we are thrilled to be able to contribute to BC Assessment's goals and we look forward to working with the staff, our fellow Board members, and the Executive Management Team.

The British Columbia housing market continued to experience significant movement in 2004. This movement has posed challenges to BC Assessment due to increasing property values, sometimes dramatically, and continual new construction and development, adding to the number of properties requiring valuation.

Many of BC Assessment's resources last year were focussed on development and preparation for implementation of a new information system. The system is a massive undertaking on which BC Assessment has been working for four years. The new system is much more technologically advanced and allows for further analysis of property assessment information. The new system began operating in April 2005.

In 2004, the corporation's revenue exceeded expenditures by more than $2.1 million. This surplus, together with part of the surplus of prior years, is being used to fund the cost of the new information system. I am also pleased to report that there are no significant variations from the 2004 – 2006 Service Plan.

BC Assessment is fulfilling its mission to produce uniform property assessments that form the basis for local and provincial government taxation while providing information to assist people when making real estate decisions. Approximately 1.7 million assessment notices were sent to property owners by the statutory deadline of December 31, 2004.

On behalf of the Board of Directors, I would like to recognize the staff for their dedication both to their work, and to the public service. Their commitment to excellence and exceptional customer relations has earned this organization a favourable and well-deserved reputation in Canada and internationally. The corporate values of quality, accountability, service, and teamwork are inherent in their interactions and daily tasks.

The Board of Directors and BC Assessment also owe a debt of gratitude to Olga Ilich who preceded me as Board Chair. The organization made significant progress under her leadership. We thank her for her service and wish her success and satisfaction in her future endeavours.

James M.I. Bruce
BOARD CHAIR, ON BEHALF OF

Bill Baird
Carol Alter Kerfoot
Anna Nyarady
Brian Romer
Lillian White
David Clark
Chris Nicolls
George Puil
Helen Sparkes

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

I am honoured to present the BC Assessment Annual Service Plan Report for 2004 and a Report on the Creation of the 2005 Assessment Roll on behalf of the staff and management.

Last year was one of the most challenging years in BC Assessment's 30-year history. A very active real estate market and development of a new information system tested our resources in 2004 more than ever before.

Despite these challenges, BC Assessment's primary product, the Assessment Roll, maintained its superior quality compared to international standards. In three individual measurement areas, BC Assessment met or exceeded targets defined in the 2004 – 2006 Service Plan. We are also continually benchmarking ourselves to other provinces in Canada and international jurisdictions to see what we are doing well and what could be improved.

Another area we are continually recognized for is our commitment to customer service. Over 70 percent of residential property owners surveyed in 2004 said that they were satisfied with the overall quality of service they received from BC Assessment. While I am pleased with this figure, our goal is to continually improve our satisfaction levels every year through improved employee training, and placing emphasis internally on our corporate value of providing service that is responsive and sensitive.

This past year also marked another year of development of value*BC*, BC Assessment's new information system. value*BC* will be implemented in 2005 and will replace the existing outdated mainframe computer system. This new system is built on current relational database technology and includes an on-line datamart that will allow municipalities and other clients to search and query property assessment information. The new system will allow us to better serve our valued clients by increasing our capacity to analyze property data.

Staff resources were challenged due to value*BC*'s requirements for testing. Many BC Assessment employees spent several months away from their families and communities, and those who remained in their offices carried their colleagues' workload. I commend the staff for their commitment and teamwork during this trying year.

Some of the corporate highlights that BC Assessment is particularly proud of include valuing 31,000 more properties in the 2005 Assessment Roll compared to the previous year, maintaining our low number of complaints to the Property Assessment Review Panel (only 1.6 percent of all properties), and finishing the year with an excess of revenue over expenditures totalling approximately $2.1 million.

I would like to thank my Executive Management Team – John Collins, Connie Fair, David Highfield, Bruce Turner, and the recently retired Ed Norman, for their leadership and dedication to our organization. I look forward to working with the returning members of the Board of Directors and welcome our new Chair, James Bruce, and additional Board members Anna Nyarady, George Puil, and Brian Romer.

The upcoming year will be focussed on implementation of the new system while striving to achieve our corporate goals of product quality and uniformity, customer service and community relations, fiscal responsibility, and human resources leadership.

Thank you,

Doug Rundell
CHIEF EXECUTIVE OFFICER AND
ASSESSMENT COMMISSIONER

CORPORATE PROFILE

The BC Assessment Authority is a provincial Crown corporation which was incorporated in 1974 under the *Assessment Authority Act*. The mandate of BC Assessment is to establish and maintain an independent, uniform, and efficient real property assessment system throughout British Columbia in accordance with the *Assessment Act*. The *Act* requires that BC Assessment produce annual rolls based on assessments at market value.

A new assessment roll is completed annually on or before December 31, based on the market value of properties as of the previous July 1. A common valuation date provides fairness and ensures an equitable base for property taxation.

BC Assessment's appraisal staff gather property information from a variety of sources, including property inspections, municipalities, regional districts, real estate boards, the Land Title and Survey Authority (formerly Land Title Office), and property owners throughout the year, and then in December produces the Completed Roll. Information from this roll is included in the individual assessment notices that are sent to all property owners in BC by December 31.

The roll enumerates approximately 1.7 million parcels with a value of approximately $580 billion. The Revised Assessment Roll, which is prepared following the Property Assessment Review Panel (PARP) public enquiry period, is presented to tax jurisdictions (municipal and provincial governments) to form the basis of their tax rolls. Property valuation by BC Assessment is subject to legislated review and complaint procedures through the PARP, and appeals through the Property Assessment Appeal Board (PAAB).

BC Assessment maintains an extensive and up-to-date information database on all properties in British Columbia which consistently exceeds international appraisal standards. BC Assessment receives no funding from the provincial government. Its operations are financed primarily through a direct levy on all taxable properties in British Columbia and through the sale of information services and products.

In addition to providing information in the form of Assessment Rolls, BC Assessment provides property and value information through electronic database access and custom data services, for a fee, to: tax authorities, through a program of information-sharing; property owners; municipal, provincial and federal government agencies; realtors; appraisers; lawyers; bankers; title search companies; and others.

Currently, BC Assessment employs 558 permanent staff in 21 offices throughout British Columbia and has a structure based upon functional lines of responsibility and specialization of tasks. Head Office divisions include: Assessment; Policy, Audit and Legal Services; Corporate Services; and Community Relations. BC Assessment is recognized internationally as having set a standard for current market value real property assessment for taxation. In the past, delegations from a number of North American and international jurisdictions have sought advice from BC Assessment.

BC Assessment is guided in its daily operations by its corporate values of quality in its products, services and work life; accountability for our actions and results; service that is responsive and sensitive; and teamwork and partnering with our clients. Our values accentuate the government's stated values of integrity, fiscal responsibility, accountability, respect, and choice; they are displayed in high-traffic zones in our area offices located throughout the province, and in each division's work space in head office. They serve as reminders of the manner in which we should work to achieve our corporate goals.

Additionally, the values provide direction during the planning process so that all strategic and operational plans are written to include elements that emphasize quality, accountability, service and teamwork. The high quality of the assessment roll, low complaint and appeal rates of our property assessments, and minimal staff turnover are a few examples that demonstrate how our core values guide our work. Our vision, mission and values serve as reminders to help us achieve our corporate goals and provide the public with a reliable product, the annual assessment roll.

BC Assessment produces fair, equitable and uniform property assessments. They provide the basis which local governments use to establish applicable rates for property tax and appropriately distribute the responsibility for funding their requirements. In 2004, approximately $4.6 billion in property taxes was collected in British Columbia, compared to $4.5 billion in 2003. Of these monies, $2.5 billion was collected for local government and $2.1 billion was collected for schools and provincial general revenue; in 2003, $2.5 billion was collected for local government, and $2.0 billion was collected for schools and provincial general revenue. Property taxes provide between 40 and 60 percent of funding for local governments and approximately 30 percent of funding for schools. Through this process, the work done by BC Assessment supports the provincial economy and the communities of British Columbia.

PRODUCTS AND SERVICES

BC Assessment has a wide variety of products and services of which its core product, the Assessment Roll, is used by local and provincial governments to levy tax revenues.

BC Assessment also provides each real property owner with a notice of assessed value of land and improvements. Approximately 1.7 million assessment notices are sent by mail or by electronic assessment notices via epost™ by December 31 of each year.

There are several ways that property owners and clients can contact BC Assessment – via phone (including toll-free phone numbers), email, or in-person at our 20 area offices located throughout British Columbia.

From early January to March 15, Assessments by Address is available on the Internet. This free public service allows property owners to audit our assessments by comparing the value of their property to others in their neighbourhood during the property assessment appeal period. Paper copies of Assessments by Address are available at area offices, most municipal halls, public libraries and Government Agents' offices.

Commercial Products and Services

BC Assessment generated more than $3.4 million in revenue in 2004 in comparison to $3.0 million in 2003, from the sale and licensing of property infor ation products and services. These products and services include online access, through BC OnLine, to the published assessment roll, property sales data, residential inventory data, and Land Title and Survey Authority information. Provision of bulk electronic data includes the assessment rolls, property sales data, residential inventory data, custom reports, and professional consulting services including customized Major Industrial Property manuals for other provinces.

Key commercial clients include:

- Banks, credit unions, title search agencies, law offices, realtors, developers, and consultants who use BC Assessment on-line property data in their daily business dealings;

- Provincial ministries and Crown corporations that use BC Assessment bulk and on-line property data to manage their own properties; and
- Public/private partnerships between BC Assessment, corporate clients, and real estate boards allow these clients to add value and sell bulk assessment data under the terms of a licensing agreement.

Our products and services are delivered via the Internet or electronically by contacting BC Assessment's Marketing Services department.

Service to Governments

BC Assessment offers Assessment Link*BC* free-of-charge to local government clients. This Internet-based service enables municipal and regional governments to search or create unique reports using our data. Assessment Link*BC* provides local governments with timely property assessment information so they can make informed decisions on behalf of their communities. In 2004, there were 91 clients registered to use the service, an increase of 35, or 63 percent, compared to 2003.

BC Assessment also offers property information services, or Data Advice, by request to local governments and other agencies. Data Advice supplies clients with current information available on BC Assessment files. It is provided monthly in paper format, or via the Internet, which allows clients to easily update their computer systems.

Many First Nations in British Columbia are assuming property taxation responsibilities formerly provided by provincial and local governments. BC Assessment has contracted with 51 First Nations to provide them with assessment services.

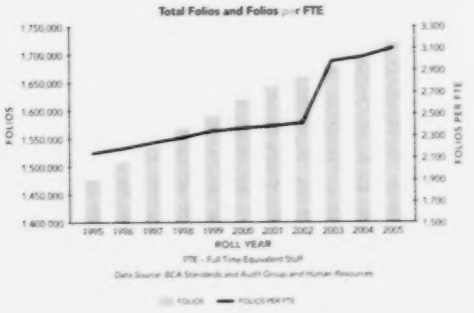
Information about the property assessment process can be obtained at www.bcassessment.ca; detailed property information is available via BC OnLine at www.bconline.gov.bc.ca.

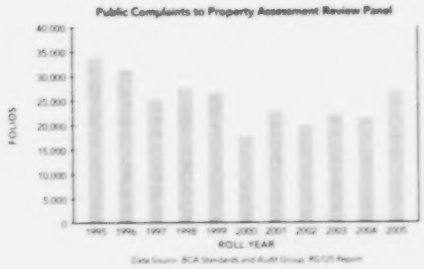
BC Assessment strives to exceed the service expectations of property owners, local governments and other clients while increasing efficiencies, providing seamless service across area boundaries, and operating with lower staffing levels as determined by the Core Services Review and Deregulation Task Force in 2001. BC Assessment was able to maintain its high performance standards while facing challenges that included considerable real estate market movement, substantial growth in the number of properties requiring assessment services, and increased value in most properties in British Columbia.

Some of BC Assessment's highlights in 2004 included:

- Valuing 31,000 more properties in 2004 compared to the year before and finishing the year with a $2.1 million excess of revenue over expenditures *(further information on page 52)*.

- Maintaining our record of low complaints, 1.6 percent of all properties for the 2005 Assessment Roll, to the Property Assessment Review Panels despite a very active real estate market in most areas of British Columbia *(further information on page 35)*.
- Including all major new construction and development, totalling over $13 billion, in the 2005 Assessment Roll *(further information on page 30)*.
- Continuing development of the multi-year Information Systems Plan, the value*BC* assessment system, and planning for implementation and staff training in 2005.
- Producing the 2005 Assessment Roll, containing property assessment information for approximately 1.7 million properties, by the legislated annual deadline of December 31.
- Ongoing deregulation of legislation to further streamline the appeal process to reduce internal costs on property assessment complaints and appeals.
- Negotiating and ratifying a new collective agreement for 2004/05 with the Canadian Union of Public Employees, Local 1767.
- Hiring a temporary workforce, 198 employees in 2004, to assist with collecting property information.





BC Assessment's performance planning process includes both long-term and short-term elements.

Long-term direction is provided by the three-year Service Plan which is developed through a comprehensive strategic corporate planning process. Additionally, a comprehensive review and analysis by the Board of Directors, senior management and staff has been built into the planning process. The Service Plan reflects the trends and issues facing the organization and serves as the basis for annual corporate planning.

Short-term direction is provided by the annual objectives contained in the Annual Plan and rigorous budget management. Both the Service Plan and the Annual Plan are revised each year to reflect changes in stakeholder needs, risk management, benchmarking, organizational capacity, and emerging priorities. These short-term elements contain specific actions and measurable results that will assist the organization in fulfilling its goals.

Four key goals guided BC Assessment's activities in 2004:

PRODUCT QUALITY AND UNIFORMITY

Our products will be of the highest quality and uniform throughout the province.

CUSTOMER SERVICE AND COMMUNITY RELATIONS

We will provide a level of service that exceeds our customers' expectations and helps strengthen the communities we serve.

FISCAL RESPONSIBILITY

The average cost per property for assessment services will be reduced for the taxpayer.

HUMAN RESOURCES LEADERSHIP

We will foster a climate that encourages professional development, continuing corporate success, and commitment to our shared vision.

From these four goals, five objectives, or strategic directions, were developed.

- Service Delivery
- E-commerce and Access to Information
- Partnerships/Links/Shared Services
- Plain Language Legislation
- Streamlined, Integrated and Efficient Appeal System

Within each objective, BC Assessment established targets for completion between 2004 and 2006. Targets for 2003 have also been provided for historical comparison. Over the three-year period, we will consider what is working, what could be improved, and where limited resources can be utilized in the most relevant and effective manner. Progress was tracked through the stated targets and acknowledged when planned objectives were not met. Areas where work to fulfill targets is still underway or carried over into 2005 have been noted as being ongoing. Some of the targets have been extended due to the resources required to implement the new value*BC* assessment information system.

The majority of data used to report on performance comes from BC Assessment. Our data is collected by our appraisal staff who gather property information from a variety of sources, including property inspections, municipalities, regional districts, real estate boards, the Land Title and Survey Authority, and individual property owners throughout the year.

GOAL

PRODUCT QUALITY AND UNIFORMITY

Our products will be of the highest quality and uniform throughout the province.

OBJECTIVE – SERVICE DELIVERY

BC Assessment will provide significant opportunities for service delivery while ensuring our products will be of the highest quality and uniform throughout the province.

TARGETS	2003 Actual	2004 Target	2004 Actual	2005 Target	2006 Target	DISCUSSION
1 By December 31 of each year, a new assessment roll will be completed for every municipality and rural area in the province.	●	●	●	●	●	The 2005 Assessment Roll was completed and delivered on schedule. Municipalities and rural areas can elect to receive the Roll electronically via the Internet, email, or from their servicing area office on paper or microfiche.*
2 By December 31 of each year, every person named in the assessment roll will be mailed a notice of assessment.	●	●	●	●	●	Every person named in the 2005 Assessment Roll was mailed a notice of assessment by December 31. In 2004, 1.4 percent of assessment notices were returned and kept on file.*
3 By the end of 2004, BC Assessment will implement improvement plans in the following areas:						Property information inventory programs were piloted in the Vancouver and Vernon offices and temporary employees were hired for the second year to assist with property information collection.
• Inventory collection	n/a	●	●	n/a	n/a	
• Application of regulated rates to major industrial properties	●	●	●	n/a	n/a	BC Assessment reviewed the rates with industry through the Industrial and Utility Committee of the BC Chapter of the Canadian Property Tax Association in 2004. Through this process, a number of changes were recommended to, and passed by, Cabinet.

*BC Assessment engages in strategic planning that identifies capacity and risk. This planning allows us to execute the operational requirements necessary to produce the 2006 and 2007 Assessment Rolls.

TARGET LEGEND: ● Target Met ▽ Scope/Schedule Modified/Delayed ○ Performance Below Target

TARGETS	2003 Actual	2004 Target	2004 Actual	2005 Target	2006 Target	DISCUSSION
• Application of regulated rates to continuous structures	●	●	●	n/a	n/a	New rates were introduced in 2003 following a multi-year review with industry. In 2004, the new rates began the three-year phase-in process which will continue in 2005 as outlined in the *Assessment Act*. The review of these rates also included the development of procedures and policies for future rate reviews and updating.
• Application of regulated rates to farms and forests	●	●	●	n/a	n/a	Forestland rates were reviewed and updated in 2004 following consultation with the ministries of Sustainable Resource Management, Finance, and Forests.
• Research	●	●	▽	n/a	n/a	This project has been deferred to 2005 to meet the requirements for implementing valueBC, the new assessment information system.
• Support services	●	●	●	n/a	n/a	BC Assessment continues to partner with the province in sharing services including Common IT Services (CITS), the portal project, and mapping services.

TARGET LEGEND: ● Target Met ▽ Scope/Schedule Modified/Delayed ○ Performance Below Target

TARGETS	2003 Actual	2004 Target	2004 Actual	2005 Target	2006 Target	DISCUSSION
4 The median *Assessment-to-Sales Ratio (ASR)* for the Residential Assessment Roll in British Columbia will be 97%.	●	●	●	●	●	A median *ASR* of 96.62% was achieved for the 2005 Residential Assessment Roll, which meets this target.**
5 The *Coefficient of Dispersion (COD)* for the Provincial Assessment Roll will be less than 10% for homogeneous residential regions and less than 15% for heterogeneous. residential regions.	●	●	●	●	●	The *COD* for the 2005 Provincial Assessment Roll was under the target of below 10% for homogeneous areas and below 15% for heterogeneous residential areas which exceeds this target.**
6 The *Price-Related-Differential (PRD)* will be between 0.98 and 1.03 for residential properties.	●	●	●	●	●	The *PRD* fell within the target range.**
7 By the end of 2005, the responsibility for assessment of all property types will be shifted to specialized teams.	n/a	●	●	●	n/a	The development of specialized teams was substantially completed in 2004. The remainder will be implemented concurrently with value*BC* in 2005.

**See Glossary on pages 91 and 92 for an explanation of this performance measure. For further information regarding data source reliability, see page 25.

TARGET LEGEND: ● Target Met ▽ Scope/Schedule Modified/Delayed ○ Performance Below Target

TARGETS	2003 Actual	2004 Target	2004 Actual	2005 Target	2006 Target	DISCUSSION
8 By the end of 2005, study and develop improvement plans for office accommodation and public access needs in office locations.	n/a	●	●	●	n/a	This target is on schedule for completion. In 2004, BC Assessment moved one area office and amalgamated two offices; another office move is scheduled in 2005 and another two scheduled for amalgamation in 2006. We will continue investigating our clients' needs and determine how they can be best served.
9 By the end of 2004, develop a performance measurement framework designed to measure operating efficiency and relate those results to benchmarks of other selected North American assessment jurisdictions.	●	●	●	n/a	n/a	This framework was developed in 2004. In 2005, BC Assessment will focus on ensuring that our operations are compared to similar North American assessment jurisdictions so that the measurements are comparable.

TARGET LEGEND: ● Target Met ▽ Scope/Schedule Modified/Delayed ○ Performance Below Target

Assessment Roll Quality

The 2005 Assessment Roll Quality Report is a detailed statistical analysis demonstrating the accuracy and uniformity of the Assessment Roll. BC Assessment met all of its quality measurement targets for the 2005 Assessment Roll and matched that of the last decade based on international and internal measures. The tables in this section show comparisons of BC Assessment's products against international quality standards.

The *Assessment-to-Sales Ratio (ASR)* is calculated by dividing the assessed value (as determined by BC Assessment) of a property that has sold by its actual selling price, then expressing the result as a percentage. A property with an assessed value of $243,000 that sold for $250,000, for example, would have an *ASR* of 97.2 percent.

The International Association of Assessing Officers (IAAO) has set the median *ASR* standard between 90 and 110 percent. BC Assessment has set a target of 97 percent for the median *ASR*. The median *ASR* for the 2005 Residential Assessment Roll was 96.62 percent.

The *Coefficient of Dispersion (COD)* measures how closely a group of numbers is clustered around its median, or middle, number. The lower the *COD*, the better the product.

The *COD* standard set by the IAAO is under 15 percent for homogeneous regions and under 20 percent for heterogeneous regions. BC Assessment has set targets of under 10 percent and under 15 percent respectively. The *COD* for the 2005 Provincial Assessment Roll was 6.87 percent for homogeneous residential regions and 9.06 percent for heterogeneous regions.

The *Price-Related-Differential (PRD)* measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-assessed relative to low-value properties. Assessments are progressive if high-value properties are over-assessed. Progressivity or regressivity result in an inequitable distribution of the tax burden.

Quality Assessment Rolls should show no sign of regressivity or progressivity. In other words,

high-value and low-value properties should be assessed uniformly.

The IAAO standard for the *PRD* is between 0.98 and 1.03. A *PRD* under 0.98 indicates progressivity; over 1.03 indicates regressivity. BC Assessment has adopted the IAAO standard for the *PRD*. The *PRD* for the 2005 Assessment Roll was 1.011 for single-family residential properties.

In 2003 and 2004, BC Assessment worked to form its organizational structure into specialized teams to better serve customers by promoting more uniformity of assessment practices. Specialization will be completed in 2005 in conjunction with the implementation of value*BC*.

Data Source Reliability and Limitations

The reliability of these measures is founded on the records as provided by the Land Title and Survey Authority of British Columbia, formerly the Land Title Office. The results compare the market value transactions as registered against the actual value as determined by the appraisers in BC Assessment.

BC Assessment statistics are based on all available single-family residential arms-length sales for the two quarters surrounding the BC Assessment valuation date of July 1 (i.e. April 1, 2004 to September 30, 2004).

Sales are not time-adjusted. In regions with significant market movement over the six-month period, the dispersion will be overstated.

The provincial results for single-family residential properties represent 56.9 percent of the parcels in BC and 54.8 percent of the market-derived value on the 2005 Assessment Roll.

The median *ASRs* in all categories are well within acceptable levels, being only slightly below the BC Assessment target of 97 percent. The *CODs* are extremely good and all of the *PRDs*, which have experienced a very active sales year, also fall within the target range of 0.98 to 1.03.

Data used for the *ASRs*, *CODs* and *PRDs* is generated by the BC Assessment Standards and Audit Group's 2005 Roll Quality Report.

ROLL QUALITY – 2005 REVISED ROLL

Single Family Residential Property

JURISDICTION TYPE	SALES (APR-SEPT)	MEDIAN ASR	COD	PRD
All Jurisdictions	36,113	96.62%	7.09%	1.011
City	20,607	96.70%	6.70%	1.009
District	9,831	96.52%	6.93%	1.014
Town	1,282	96.53%	8.01%	1.015
Village	739	96.12%	8.99%	1.015
Rural	3,654	96.36%	9.06%	1.018

VERTICAL ANALYSIS CATEGORY*	SALES (APR-SEPT)	MEDIAN ASR	COD	PRD
Low-End Housing	12,224	96.50%	8.47%	1.014
Mid-Range Housing	23,311	96.60%	6.65%	1.010
High-End Housing	1,061	96.45%	7.06%	1.015

**The Vertical Analysis Category contains only specific ranges of single family residential properties.*

Data Source: BCA Standards and Audit Group, 2005 Roll Quality Report

Net taxable values for general purposes for all properties in British Columbia increased by 17.98 percent from 2004 to 2005. Fluctuating levels of new construction and movement in the real estate market contribute to annual increases or decreases in actual and net general taxable values.

Actual and Net General Taxable Values – Comparison 2004*/2005

PROPERTY CLASS	2004* ACTUAL VALUE ($ MILLIONS)	2005 REVISED ACTUAL VALUE ($ MILLIONS)	CHANGE ($ MILLIONS)	CHANGE PERCENT	2004* NET GENERAL ($ MILLIONS)	2005 REVISED NET GENERAL ($ MILLIONS)	CHANGE ($ MILLIONS)	CHANGE PERCENT
1 - Residential	362,137	434,319	72,182	19.93	348,036	418,004	69,968	20.10
2 - Utilities	17,002	17,597	596	3.51	4,260	4,517	257	6.03
3 - Unmanaged Forest**	64	0	-64	-100.00	48	0	-48	-100.00
4 - Major Industry	5,226	5,466	240	4.59	4,502	4,689	187	4.15
5 - Light Industry	5,389	5,747	358	6.64	5,030	5,354	324	6.44
6 - Business/Other	88,472	97,767	9,295	10.51	54,032	58,746	4,714	8.72
7 - Managed Forest	1,030	973	-57	-5.53	1,030	973	-57	-5.53
8 - Recreational/Non-Profit	14,289	16,652	2,363	16.54	1,088	1,133	45	4.14
9 - Farm	1,305	1,310	5	0.38	1,289	1,290	1	0.08
TOTAL	494,914	579,831	84,918	17.16	419,315	494,706	75,391	17.98

Includes Supplementary and Property Assessment Appeal Board changes up to March 14, 2005

***The Private Managed Forest Land Act was passed in November 2003 which repealed Class 3, Unmanaged Forest. The new Act came into full effect in the spring of 2004.*

Data Source: BCA Standards and Audit Group and Information Services Division, 2005 Rolls and Notices Audit Report and Supplementary Rolls

PROPERTY CLASS DISTRIBUTION

In British Columbia, 87.3 percent of all properties are classified as residential. In 2005, 1.1 percent of residential property owners requested a review of their property assessments.

Property Class Distribution – 2004 and 2005 Revised Roll

PROPERTY CLASS	2004 OCCURRENCES	2004 PERCENTAGE	2005 OCCURRENCES	2005 PERCENTAGE
1 - Residential	1,558,500	87.23%	1,587,539	87.30%
2 - Utilities	15,005	0.84%	14,284	0.79%
3 - Unmanaged Forest	874	0.05%	0	0.00%
4 - Major Industry	7,804	0.44%	8,612	0.47%
5 - Light Industry	19,199	1.07%	21,466	1.18%
6 - Business/Other	108,743	6.09%	110,209	6.06%
7 - Managed Forest	3,978	0.22%	4,045	0.22%
8 - Recreational/Non-Profit	15,401	0.86%	15,531	0.85%
9 - Farm	57,163	3.20%	56,849	3.13%
TOTAL	1,786,667	100.00%	1,818,535	100.00%

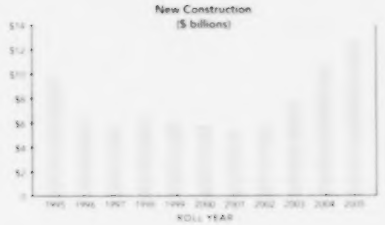
Note: Occurrences will exceed the total number of individual properties in the province since a property may have one or more property classes. The Private Managed Forest Land Act was passed in November 2003 which repealed Class 3, Unmanaged Forest. The new Act came into full effect in the spring of 2004.

Data Source: BCA Standards and Audit Group and Information Services Division, 2005 Rolls and Notices Audit Report

NEW CONSTRUCTION AND DEVELOPMENT

Total taxable value in new construction and development in the 2005 Assessment Roll was over $13 billion, a 20 percent increase from the 2004 figure of $10.9 billion. This is the largest volume of new construction and development since BC Assessment starting tracking this data in 1990.

Vancouver experienced more than $2.2 billion in new construction and development, the most of any community in British Columbia; over $2.1 billion was in residential development. This compares to $1.7 billion in new construction and development and $1.6 billion in residential development in 2004. Surrey/White Rock experienced the second highest level, nearly $1.5 billion with over $1.3 billion in residential development. This compares to nearly $1.3 billion in new construction and development and nearly $1.1 billion in residential development in 2004. Both Vancouver and Surrey/White Rock respectively also experienced the first and second highest amount of new construction in development in 2003.



Prince George experienced the highest increase in folios, an additional 4,444 folios, for the 2005 Assessment Roll compared to the 2004 Assessment Roll. Fraser Valley experienced the second highest increase, 3,593 more folios for the 2005 Assessment Roll compared to the 2004 Assessment Roll.

The Cariboo experienced the highest percentage increase in value of new construction and development folios in BC – $132 million compared to $57 million for the 2004 Assessment Roll, or an increase of 130 percent. Kamloops was the next highest noting an increase to $340.1 million for the 2005 Assessment Roll compared to $191.8 million the year before, an increase of 77 percent.

New Construction and Development – 2005 Assessment Roll ($ millions)

AREA OFFICE	RESIDENTIAL	UTILITIES	UNMANAGED FOREST*	MAJOR INDUSTRY	LIGHT INDUSTRY	BUSINESS/ OTHER	MANAGED FOREST	RECREATIONAL/ NON-PROFIT	FARM	TOTAL
Capital	925.85	8.77	0.00	0.21	(12.74)	276.10	(3.46)	(4.29)	(0.06)	1,190.38
Central Vancouver Island	658.45	1.56	0.00	3.99	8.62	67.94	(18.16)	0.14	(0.23)	722.30
Courtenay	263.59	1.51	0.00	2.31	5.27	51.87	(6.58)	(0.73)	0.19	317.43
North Shore/Squamish	1,077.05	24.22	0.00	(8.65)	6.34	226.88	7.24	(5.11)	0.16	1,328.13
Vancouver	2,126.11	1.81	0.00	12.45	(4.03)	84.59	0.00	(2.37)	0.00	2,218.57
North Fraser	918.07	(1.43)	0.00	(0.20)	3.66	106.33	0.00	2.29	0.00	1,028.71
Richmond/Delta	468.38	(1.66)	0.00	1.03	(14.25)	137.25	0.00	1.86	(0.22)	592.40
Surrey/White Rock	1,303.55	4.47	0.00	0.00	12.99	181.75	0.00	5.36	(0.83)	1,507.29
Fraser Valley	1,025.35	6.95	0.00	0.08	18.88	294.89	0.37	(3.75)	0.28	1,343.05
Penticton	294.73	2.47	0.00	(0.41)	8.72	34.37	0.24	4.08	(0.09)	344.11
Kelowna	711.49	6.26	0.00	0.30	2.57	35.37	0.00	1.66	(0.11)	757.54
Vernon	306.30	1.12	0.00	3.97	7.76	32.95	0.25	4.17	0.44	356.96
Nelson/Trail	89.58	0.64	0.00	0.59	(1.79)	14.51	0.32	(0.43)	0.63	104.06
East Kootenay	247.88	2.33	0.00	0.04	(0.61)	20.05	0.12	(0.16)	(0.13)	269.51
Kamloops	259.14	24.09	0.00	15.18	(1.13)	42.61	0.17	0.30	(0.25)	340.12
Cariboo	49.87	29.28	0.00	34.11	4.82	11.48	1.99	0.25	0.31	132.10
Northwest	11.98	(4.42)	0.00	(40.69)	7.23	1.14	0.00	0.01	0.10	(24.65)
Prince George	70.86	27.47	0.00	4.63	6.09	11.88	(0.16)	(0.09)	(0.08)	120.59
Peace River	91.96	46.60	0.00	100.31	105.27	34.68	0.01	0.01	(1.57)	377.28
2005 Total	**10,900.18**	**182.03**	**0.00**	**129.25**	**163.66**	**1,666.65**	**(17.65)**	**3.21**	**(1.45)**	**13,025.89**
2004 Total	**8,802.04**	**86.35**	**4.12**	**40.31**	**192.85**	**1,649.84**	**34.96**	**71.14**	**(4.61)**	**10,877.00**

**The Private Managed Forest Land Act was passed in November 2003 which repealed Class 3, Unmanaged Forest. The new Act came into full effect in the spring of 2004.*

Data Source: BCA Standards and Audit Group and Information Services Division, RM130 Report generated from the 2005 Revised Roll, March 31, 2005

New Construction and Development – 2005 Assessment Roll (occurrences)*

AREA OFFICE	RESIDENTIAL	UTILITIES	UNMANAGED FOREST**	MAJOR INDUSTRY	LIGHT INDUSTRY	BUSINESS/ OTHER	MANAGED FOREST	RECREATIONAL/ NON-PROFIT	FARM	TOTAL
Capital	10,223	89	0	3	21	547	44	23	114	11,064
Central Vancouver Island	9,400	82	0	11	62	553	155	15	130	10,408
Courtenay	4,976	64	0	4	80	358	208	5	81	5,776
North Shore/Squamish	7,357	71	0	8	46	769	30	19	29	8,329
Vancouver	13,759	12	0	6	10	479	0	118	2	14,386
North Fraser	6,620	21	0	3	23	299	0	7	3	6,976
Richmond/Delta	2,317	4	0	6	33	329	0	6	42	2,737
Surrey/White Rock	9,216	15	0	0	42	633	0	17	27	9,950
Fraser Valley	14,466	70	0	1	107	972	30	16	390	16,052
Penticton	4,753	72	0	2	68	678	8	19	109	5,709
Kelowna	6,321	30	0	1	14	116	0	4	149	6,635
Vernon	6,664	62	0	4	43	384	66	28	241	7,492
Nelson/Trail	3,251	84	0	3	20	266	71	3	63	3,761
East Kootenay	5,550	38	0	4	9	258	20	8	51	5,938
Kamloops	7,029	78	0	14	20	361	8	21	104	7,635
Cariboo	2,950	121	0	20	31	92	12	3	114	3,343
Northwest	1,792	14	0	6	118	293	0	1	50	2,274
Prince George	4,778	67	0	10	42	282	0	1	454	5,634
Peace River	2,942	71	0	2,080	2,402	335	1	1	415	8,247
2005 Total	**124,364**	**1,065**	**0**	**2,186**	**3,191**	**8,004**	**653**	**315**	**2,568**	**142,346**
2004 Total	**149,679**	**823**	**77**	**1,231**	**2,121**	**8,353**	**2,120**	**215**	**2,030**	**166,649**

Occurrences will exceed the total number of individual properties in the province since a property may have one or more property classes.

***The Private Managed Forest Land Act was passed in November 2003 which repealed Class 3, Unmanaged Forest. The new Act came into full effect in the spring of 2004.*

Data Source: BCA Standards and Audit Group and Information Services Division, RM130 Report generated from the 2005 Revised Roll, March 31, 2005

GOAL

PRODUCT QUALITY AND UNIFORMITY

Our products will be of the highest quality and uniform throughout the province.

OBJECTIVE – STREAMLINED, INTEGRATED, AND EFFICIENT APPEAL SYSTEM

BC Assessment will continue to recommend that government changes the appeal system to streamline the appeal process while protecting the rights of the taxpayers to appeal their property tax assessments.

TARGETS	2003 Actual/ 2004 Assessment Roll Actual	2004 Target/ 2005 Assessment Roll Target	2004 Actual/ 2005 Assessment Roll Actual	2005 Target/ 2006 Assessment Roll Target	2006 Target/ 2007 Assessment Roll Target	DISCUSSION
1 Each year, every complaint to the Property Assessment Review Panel will be investigated and presented for consideration before March 16 and decisions delivered to property owners before April 7.	●	●	●	●	●	For the 2005 Assessment Roll, all 27,209 complaints were investigated and presented for consideration before March 16 and decisions were delivered to property owners before April 7.*
2 Each year, 98 percent of residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	●	●	●	●	●	For the 2005 Assessment Roll, 98.9 percent of residential assessments were accepted without referral by the public to the Property Assessment Review Panel.*
3 Each year, 95 percent of non-residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	●	●	○	●	●	For the 2005 Assessment Roll, 94 percent of non-residential assessments were accepted without referral by the public to the Property Assessment Review Panel.*
4 Throughout 2004, continue to recommend to government further streamlining of the appeal process in order that internal costs on complaints and appeals are reduced.	●	●	●	●	●	BC Assessment worked with the provincial government to streamline legislation and/or regulations pertaining to ports, farms, and bed and breakfast classifications with the objective of reducing the cost of complaints and appeals.

*BC Assessment engages in strategic planning that identifies capacity and risk. This planning allows us to execute the operational requirements necessary to produce the 2006 and 2007 Assessment Rolls.

Data Source: Complaint information is generated by the RG125 Report while information related to the Property Assessment Review Panels are generated by the Rolls and Notices Audit and APPSTAT reports from BC Assessment's Standards and Audit Group and Information Services Division.

TARGET LEGEND: ● Target Met ▽ Scope/Schedule Modified/Delayed ○ Performance Below Target

Summary of Complaints

The most important measure of public acceptance of the Assessment Roll is the number of complaints to the Property Assessment Review Panel (PARP). Public complaints in 2005 increased slightly, from 1.3 to 1.6 percent of total properties compared to 2004. This marginal increase is to be expected, given the significant movement in real estate markets in most areas of British Columbia. Generally, when the market is active, the number of property assessment appeals will increase.

Increased complaints, combined with rising property values and significant new construction and development across the province, implementing a new assessment information system, and static staffing levels, presented BC Assessment with significant capacity challenges in 2004. However, the corporation continued to keep the cost of assessment services from tax levy revenue low, recognizing an increase of only two cents per property in 2004.

The following tables reflect complaints for all properties, as well as residential and business/other classes, which contain the vast majority of properties in British Columbia.

TOTAL PUBLIC COMPLAINTS

	# OF PROPERTIES WITH COMPLAINTS (FOLIOS)	TOTAL PROPERTIES	% COMPLAINED
1994	40,209	1,433,348	2.8
1995	33,386	1,480,233	2.3
1996	32,030	1,515,030	2.1
1997	25,498	1,539,014	1.7
1998	28,497	1,567,771	1.8
1999	27,322	1,602,149	1.7
2000	17,565	1,623,284	1.1
2001	22,941	1,639,111	1.4
2002	20,137	1,653,323	1.2
2003	22,670	1,671,278	1.4
2004	21,533	1,691,300	1.3
2005	27,209	1,722,729	1.6

Data Source: BCA Standards and Audit Group and Information Services Division, 2005 Rolls and Notices Audit and RG125 reports

COMPLAINTS TO THE PROPERTY ASSESSMENT REVIEW PANEL

RESIDENTIAL CLASS PROPERTY COMPLAINTS

	# OF PROPERTIES WITH COMPLAINTS (FOLIOS)	TOTAL PROPERTIES	% COMPLAINED
1994	25,619	1,326,215	1.9
1995	21,437	1,371,558	1.6
1996	20,123	1,403,601	1.4
1997	14,495	1,425,469	1.0
1998	16,793	1,451,267	1.2
1999	16,715	1,482,434	1.1
2000	10,469	1,502,005	0.7
2001	12,961	1,513,878	0.9
2002	9,262	1,524,105	0.6
2003	13,188	1,540,249	0.8
2004	12,835	1,558,500	0.8
2005	17,558	1,587,539	1.1

Data Source: BCA Standards and Audit Group and Information Services Division, 2005 Rolls and Notices Audit and APPSTAT reports

BUSINESS/OTHER CLASS PROPERTY COMPLAINTS

	# OF PROPERTIES WITH COMPLAINTS (FOLIOS)	TOTAL PROPERTIES	% COMPLAINED
1994	4,877	83,661	5.8
1995	5,909	87,432	6.8
1996	5,589	90,627	6.2
1997	5,368	93,619	5.7
1998	5,631	96,801	5.8
1999	5,579	100,132	5.6
2000	4,066	101,381	4.0
2001	6,828	103,888	6.6
2002	7,679	106,263	7.2
2003	6,343	107,547	5.9
2004	5,653	108,743	5.2
2005	6,718	110,209	6.1

Data Source: BCA Standards and Audit Group and Information Services Division, 2005 Rolls and Notices Audit and APPSTAT reports

APPEAL STATISTICS 1993 – 2005

At the end of December 2004, BC Assessment produced the 2005 Completed Assessment Roll. The deadline for requesting a review was January 31, 2005. During the six week period from February 1 to March 15, 2005, the Property Assessment Review Panel (PARP) heard 27,209 public complaints.

The Revised Roll is produced after March 15 and includes the value changes made by the PARP. Appeals from the PARP are heard by the Property Assessment Appeal Board (PAAB). The statistics following show summary results of the appeals.

BC Assessment continues to produce a reliable, stable assessment roll that is revised only slightly following the public review period. For example, the Net General Value of the 2004 Assessment Roll has decreased by only 0.014 percent following the resolution of over 65 percent of the 2004 appeals to the PAAB. The assessment roll continues to be an accurate and valuable tool for local government to levy property taxes.

Property Assessment Review Panel Complaint Statistics 1993 – 2005

ROLL YEAR	FOLIO COUNT	PARCEL COMPLAINTS TO PARP AS % OF FOLIOS	PERCENT OF FOLIOS APPEALED	TOTAL ACTUAL VALUE COMPLETED ROLL ($ MILLIONS)	TOTAL ACTUAL VALUE REVISED ROLL ($ MILLIONS)	PERCENT CHANGE AFTER PARP	TOTAL TAX RATE BASE COMPLETED ROLL ($ MILLIONS)	TOTAL TAX RATE BASE REVISED ROLL ($ MILLIONS)	PERCENT CHANGE AFTER PARP	APPEALS TO MGB
1993	1,396,776	49,085	3.51%	306,423	304,969	-0.47%	257,860	256,121	-0.67%	1,701
1994	1,433,398	40,209	2.81%	343,810	343,194	-0.18%	290,818	290,110	-0.24%	1,976
1995	1,480,233	33,386	2.26%	373,674	373,550	-0.03%	313,670	312,981	-0.22%	1,286
1996	1,515,030	32,030	2.11%	384,687	384,283	-0.11%	322,034	321,440	-0.18%	1,238
1997	1,539,014	25,498	1.66%	395,869	395,219	-0.16%	329,297	328,692	-0.18%	1,072
1998	1,567,771	28,497	1.82%	407,735	406,899	-0.21%	340,068	339,209	-0.25%	1,555
1999	1,602,149	27,322	1.71%	403,673	402,996	-0.17%	335,203	334,459	-0.22%	971
2000	1,623,284	17,565	1.08%	403,223	402,397	-0.20%	334,851	334,023	-0.25%	820
2001	1,639,111	22,941	1.40%	410,811	410,357	-0.11%	341,109	340,439	-0.20%	1,071
2002	1,653,323	20,137	1.22%	420,589	420,074	-0.12%	349,201	348,472	-0.21%	1,135
2003	1,671,278	22,670	1.36%	451,564	450,877	-0.15%	378,252	377,460	-0.21%	1,318
2004	1,691,300	21,533	1.27%	495,919	495,049	-0.18%	420,297	419,367	-0.22%	1,568
2005	1,722,729	27,209	1.58%	580,524	579,831	-0.12%	496,020	494,706	-0.26%	NA

Data Source: BCA Standards and Audit Group, Roll Quality History Report

Percentage Change to General Assessed Values

The following table shows the percentage change to assessed values on the 2005 Assessment Roll due to changes through the 2005 PARP. For all jurisdictions, the amount of change was a reduction of $1.3 billion out of a total of $496 billion (a change of -0.26 percent).

Percentage Change to General Assessed Values Based on 2005 PARP Decisions

JURISDICTION TYPE	PERCENTAGE CHANGE
All Jurisdictions	-0.26
City	-0.20
District	-0.39
Town	1.52
Village	-0.18
Rural	-0.65

Data Source: BCA Standards and Audit Group, 2005 Roll Quality Report

GOAL

CUSTOMER SERVICE AND COMMUNITY RELATIONS

We will provide a level of service that exceeds our customers' expectations and helps strengthen the communities we serve.

OBJECTIVE – E-COMMERCE AND ACCESS TO INFORMATION

BC Assessment will meet our customers' needs by providing greater electronic access to data, sharing data with partners, and enhancing the analysis of data.

TARGETS	2003 Actual	2004 Target	2004 Actual	2005 Target	2006 Target	DISCUSSION
1 By January 1 of each year, assessment rolls will be available for public inspection for each geographic area assigned to an Assessor.	●	●	●	●	●	The new assessment roll is available on the first business day in January at all assessment offices as well as libraries, municipal halls, and government Access Centres.
2 By the end of the first week of January to March 15 of each year, 'Assessments by Address' will be available to the public on the BC Assessment web site.	●	●	●	●	●	'Assessments by Address' was available on the BC Assessment web site from the first business day in January to March 15. In 2005, the search criteria was expanded to include some vacant lots, manufactured homes, light industrial and business properties as well as the majority of residential
3 By the end of 2004, BC Assessment will complete the implementation and enhance the advanced measurement programs to ensure uniformity of assessment data/ information.	●	●	●	n/a	n/a	BC Assessment has completed development and begun implementation of new business rules and best practices to ensure the uniformity of data/ information. A multi-year data cleansing initiative was completed in 2004. This initiative is evolving into the development and implementation of a comprehensive audit program for the new assessment information system through 2005 and 2006.

TARGET LEGEND: ● Target Met ▽ Scope/Schedule Modified/Delayed ○ Performance Below Target

TARGETS	2003 Actual	2004 Target	2004 Actual	2005 Target	2006 Target	DISCUSSION
4 By the end of 2005, BC Assessment will implement a new information system that will include: • Ensuring public access to electronic data through the internet	●	●	●	●	n/a	BC Assessment is developing a new web-based replacement for the information system that has been available via BC OnLine since 1992. The new system, scheduled to be available in July 2006, will be considerably more user-friendly than the existing system.
• Providing a valuation system that enables analysis	●	●	●	●	n/a	valueBC, BC Assessment's new assessment information system, has been developed to enable more in-depth analysis of property information. The new system will begin implementation in April 2005.
• Providing integration with geographical information systems	●	●	●	●	n/a	valueBC, BC Assessment's new assessment information system, has been developed to provide integration with geographical information systems (GIS). The new system will begin implementation in April 2005.
5 Commencing in 2006, property owners will have access to our systems for updating their property information.	●	●	●	●	▽	Development work to provide property owners with access to our systems will depend on the transition to the new assessment information system. This remains a corporate priority for the future.

TARGET LEGEND: ● Target Met ▽ Scope/Schedule Modified/Delayed ○ Performance Below Target

GOAL

CUSTOMER SERVICE AND COMMUNITY RELATIONS

We will provide a level of service that exceeds our customers' expectations and helps strengthen the communities we serve.

OBJECTIVE – PARTNERSHIPS/LINKS/SHARED SERVICES

BC Assessment will enhance links and partnerships leading to greater efficiencies.

TARGETS	2003 Actual	2004 Target	2004 Actual	2005 Target	2006 Target	DISCUSSION
1 By the end of 2006, develop greater links and partnerships with local governments and First Nations leading to more efficient and more accurate valuation information and service.	●	●	●	●	●	BC Assessment had 91 registered local government clients using Assessment Link*BC*, an Internet-based tool that enables local government clients to create unique reports using our data free-of-charge. Following consultation with our clients, Assessment Link*BC* will be enhanced in 2006 to include more data and reports, timely updates and an improved training program. BC Assessment continues to support CivicInfo BC, an information-sharing service for local governments, and is contracted to provide assessment services to 51 First Nations, an increase compared to 2003.
2 By the end of 2006, develop greater links and partnerships with the provincial government leading to more efficient and more accurate valuation information and public education.	●	●	●	●	●	BC Assessment continues to partner with the province including network and print services, and the portal project with Common IT Services (CITS) and the Procurement and Supply Services at the Ministry of Management Services, the Land Title and Survey Authority, and the Integrated Land and Resources Registry.

TARGET LEGEND: ● Target Met ▽ Scope/Schedule Modified/Delayed ○ Performance Below Target

TARGETS	2003 Actual	2004 Target	2004 Actual	2005 Target	2006 Target	DISCUSSION
3 By the end of 2006, develop greater links and partnerships with the private sector leading to more efficient and more accurate valuation information and economic opportunities.	●	●	●	●	●	BC Assessment will continue to partner with Access BC and CGI. These companies generate home replacement cost information for the residential home insurance market. BC Assessment continues to partner with Landcor Data Corporation which provides automated valuation models to financial institutions. Access BC, CGI and Landcor all rely on BC Assessment residential inventory and assessment roll data to generate these value added products for the private sector.
4 BC Assessment will continue to explore cost-effective areas to share or partner support services through specific shared projects identified in an implementation plan.	●	●	●	●	●	BC Assessment continues to partner support services including network and print services, and the portal project with Common IT Services (CITS) and the Procurement and Supply Services at the Ministry of Management Services, the Land Title and Survey Authority, CivicInfo BC, the Integrated Cadastral Information Society (ICIS), and the Integrated Land and Resources Registry.

TARGET LEGEND: ● Target Met ▽ Scope/Schedule Modified/Delayed ○ Performance Below Target

TARGETS	2003 Actual	2004 Target	2004 Actual	2005 Target	2006 Target	DISCUSSION
5 By the end of 2006, non-tax revenue for BC Assessment will be increased to $3.7 million annually.			●	●	●	Non-tax revenue in 2004, excluding investment income and gain on disposal of capital assets, was $3.4 million, an increase of $300,000 compared to 2003. Revenue growth is a result of increased awareness and acceptance of the BC Assessment property information available via BC OnLine, which is effectively promoted by Marketing Services. BC Assessment has set a target of $3.5 million for 2005 and $3.7 million for 2006.

TARGET LEGEND: ● Target Met ▽ Scope/Schedule Modified/Delayed ○ Performance Below Target

In 2004, BC Assessment distributed Assessment Notices and the Assessment Notice Insert to approximately 1.7 million property owners in BC. The Insert was displayed on our web site in 12 different languages. The Insert answers common questions and guides property owners on ways they can access further information.

Additionally, we continue to work at our previous commitment to improve electronic access to information by the public. For example, public information supporting the release of the 2005 Assessment Notice was coordinated into a single area on the BC Assessment public web site at www.bcassessment.ca. Plain language information on property assessment in British Columbia is also available on the web site year-round.

To further improve electronic access to information by the public, BC Assessment again offered Assessments by Address as a search function on the public web site, in addition to having print copies available at libraries, municipal halls, government Access Centres and area offices. This service was widely advertised through media coverage and the Assessment Notice Insert, and is in line with our commitment to be accountable for our actions and results.

Each area office has a dedicated page on the main web site, where property owners can find information specific to their geographic area. This includes an Area news release with information such as year-to-year values on typical houses and a general explanation of how the market value of different property types was determined, as well as contact information and related links.

As part of the planning process to implement a new Information Systems Plan (ISP), BC Assessment undertook extensive internal and external stakeholder consultations. Following this process, new corporate priorities were determined that included improving data quality, quantity and access to information, developing new business practices, and increasing partnership opportunities. BC Assessment began plans to implement the recommendations by introducing new products to improve customer service.

In 2003, the company developed and released a new tool for local governments called Assessment Link*BC*. By the end of 2004, the service had 91 registered local government clients. This product enables municipal and regional governments to search or create unique reports using BC Assessment data free-of-charge via the Internet. Assessment Link*BC* provides local governments with timely property assessment information to use when making decisions on behalf of their communities.

Under the ISP, BC Assessment also continued its efforts to improve and integrate Geographical Information Systems (GIS) and mapping throughout the province. BC Assessment is a partner in the provincial Integrated Cadastral Information Society (ICIS) and remains committed to a coordinated and shared approach to provincial mapping services. A dynamic GIS component will comprise the new value*BC* assessment information system being implemented in 2005 which will ultimately improve customer service to local governments and other clients as these initiatives are integrated in the future. By continuing to expand and enhance our electronic information services, BC Assessment is meeting customer expectations.

GOAL

CUSTOMER SERVICE AND COMMUNITY RELATIONS

We will provide a level of service that exceeds our customers' expectations and helps strengthen the communities we serve.

OBJECTIVE – PLAIN LANGUAGE LEGISLATION

BC Assessment will recommend to government changes to assessment legislation that are clear, concise, and simplified.

TARGETS	2003 Actual	2004 Target	2004 Actual	2005 Target	2006 Target	DISCUSSION
1 Throughout 2004, BC Assessment will continue to recommend that government rewrite the *Assessment Act* and Regulations to clarify and simplify the *Act's* wording so that it is better understood by all taxpayers.	●	●	●	n/a	n/a	BC Assessment worked with the provincial government to change legislation and regulations pertaining to ports, farms, and bed and breakfast classifications.

TARGET LEGEND: ● Target Met ▽ Scope/Schedule Modified/Delayed ○ Performance Below Target

GOAL

FISCAL RESPONSIBILITY

The average per property cost for assessment services will be reduced for the taxpayer.

OBJECTIVE – ALL BC ASSESSMENT OBJECTIVES INCLUDE A FISCAL RESPONSIBILITY COMPONENT

The average per property cost for assessment services will continue to be maintained or reduced for the taxpayer. Over the course of 2004, BC Assessment continued to work on reducing the average cost of assessment per folio. Some activities included:

- Maintaining assessment costs for the taxpayer while valuing 31,000 more properties in 2004 with no increase in the staff complement. In 2003, the cost for assessment services from tax levy revenue was $34.82 per property. In 2004, that cost increased slightly to $34.84.
- Retaining a temporary workforce to assist with collecting property information. In 2003, 187 temporary employees were hired, and this increased in 2004 to 198.
- Implementation of the Information Systems Plan began in 2002 and continued through 2003 and 2004. Careful contract management helped mitigate risks associated with implementing value*BC*, the new assessment information system, which will take place in 2005.
- Moving the Capital office that serves Greater Victoria to reduce costs for accommodation by utilizing less space per person while improving service and public access.
- Amalgamating the Pitt Meadows and Burnaby offices to one location at a new facility in Burnaby. The office closures were accomplished with minimal disruption to property owners and stakeholders.
- Adhering to business practices that increase performance and efficiency including uniformity, business rules, best practices, and specialization.

PARCEL COUNT

In 2004, BC Assessment issued assessment notices for 1,722,729 properties in British Columbia – over 31,000 more than in 2003. The number of parcels (properties) on the 2005 Assessment Roll increased 1.86 percent from the 2004 Assessment Roll.

Over the last decade, the number of parcels (properties) in the province has increased an average of 1.85 percent per year. This equates to adding a community approximately the size of the cities of Nanaimo, Kamloops or Delta to the assessment base annually.

PARCEL COUNT – 1989 – 2005

ROLL YEAR	FOLIO COUNT	% INCREASE
2005	1,722,729	1.86%
2004	1,691,300	1.20%
2003	1,671,278	1.09%
2002	1,653,323	0.87%
2001	1,639,111	0.97%
2000	1,623,284	1.32%
1999	1,602,149	2.19%
1998	1,567,771	1.87%
1997	1,539,014	1.58%
1996	1,515,030	2.35%
1995	1,480,233	3.27%
1994	1,433,348	2.62%
1993	1,396,775	3.00%
1992	1,356,108	2.14%
1991	1,327,646	2.66%
1990	1,293,238	1.93%
1989	1,268,742	

Data Source: BCA Standards and Audit and Information Services Division, 2005 Rolls and Notices Audit Report

GOAL

HUMAN RESOURCES LEADERSHIP

We will foster a climate that encourages professional development, continuing corporate success, and commitment to our shared vision.

OBJECTIVE – ALL BC ASSESSMENT OBJECTIVES INCLUDE A HUMAN RESOURCES LEADERSHIP COMPONENT

In 2004, BC Assessment continued to support the implementation of specialized teams to increase efficiency and provide seamless service across area boundaries. Internal resources were deployed to assist in the design, development and implementation of a new assessment information system, value*BC*, which is targeted for introduction across the corporation in the spring of 2005. We accomplished these goals by implementing a corporate staffing strategy to balance resource allocation and employing a temporary workforce to collect property information.

BC Assessment remains committed to learning; we developed a comprehensive value*BC* Training Program for all employees to ensure that staff are trained in the application of the new system and positioned to produce and support the 2006 Assessment Roll. In addition, a Training Manual was developed for the temporary Property Collector workforce. Change management and team-building training sessions were also delivered to employees in local offices. This is consistent with our corporate value of encouraging professional development and teamwork.

An organizational review of the Information Services Division was completed in 2004, with new accountabilities and job descriptions for all major functional areas. This was undertaken to meet the needs of our clients and allow greater flexibility and responsiveness with the introduction of technological change.

Additionally, BC Assessment continued succession planning to prepare for the anticipated number of retirees amongst our mature long-term workforce. The Human Resources Division prepares detailed plans to forecast staff turnover and integrates this with the staffing strategy.

For the fourth consecutive year, BC Assessment continued its Continuous Improvement Measures (CIM) program. This initiative, designed by BC Assessment, statistically measures levels of improvement within staff workgroups. BC Stats surveyed staff using Internet-based technology to measure a variety of factors to determine how well workgroups are advancing towards our corporate visions. The results are used each year to help develop improvement plans within the organization. The CIM will continue to be used over the next few years.

In 2004, we also introduced an on-line resource for staff to access information about employee wellness and professional development. This resource is provided to employees as part of our continuing commitment to supporting balance between personal and professional lives and maintaining low sick leave and turnover rates.

Future work will continue to focus on training staff in both technical and customer service areas, reinforcing our corporate vision, mission, and values internally, and helping staff obtain professional accreditation where appropriate.

ALIGNMENT WITH GOVERNMENT'S STRATEGIC PLAN

BC Assessment used the provincial government's 2005/06 – 2007/08 Strategic Plan as the guiding document to develop the 2004 Annual Service Plan Report that outlines our goals, objectives, strategies, and performance measures/targets. As with the government, our goals and objectives were developed in the context of fiscal responsibility and maintaining the support for communities that provide services for health and education. BC Assessment has established four key goals: Product Quality and Uniformity, Customer Service and Community Relations, Fiscal Responsibility, and Human Resources Leadership.

Specifically, BC Assessment supports the provincial government's goals in the following ways:

GOAL 1 – A Strong And Vibrant Provincial Economy

The market value property assessment process is very stable and provides the public with accurate assessment information. BC Assessment also provides its property information products and services to local governments, First Nations, banks, credit unions, law offices, and other organizations to use in their daily business dealings. The corporation's information is also used to assist in the administration of the Home Owners Grant and the Tax Deferment Programs.

BC Assessment also practices fiscal responsibility and is working to improve its financial position by focusing on innovation, being cost-effective, and delivering services efficiently. In partnership with the provincial government, we are recommending changes to streamline the property assessment appeal system as well as other changes to assessment legislation to make it more easily understood. The corporation's goals of Product Quality and Uniformity and Fiscal

Responsibility each contribute to building a strong economic foundation for British Columbia.

GOAL 2 – A Supportive Social Fabric

In 2004, BC Assessment provided annual market value assessment rolls and notices for over 1.7 million properties in British Columbia. BC Assessment produces fair, equitable and uniform property assessments that provide the basis which local governments use to establish applicable rates for property tax and appropriately distribute the responsibilities for funding their requirements. Local governments and the provincial government use the information in the rolls to establish applicable rates for property taxation.

In 2004, approximately $4.6 billion in property taxes was collected in British Columbia, compared to $4.5 billion in 2003. Of these monies, $2.5 billion was collected for local government and $2.1 billion was collected for schools and provincial general revenue; in 2003, $2.5 billion was collected for local government and $2.0 billion was collected for schools and provincial general revenue. Property taxes provide between 40 and 60 percent of funding for local governments and approximately 30 percent of funding for schools. Through this process, the work done by BC Assessment supports the provincial economy and the communities of British Columbia. The corporation also provides assessment services on a contract basis to many First Nations communities in British Columbia.

The corporation's goals to develop skilled staff through Human Resources Leadership and strong Customer Service and Community Relations combine to provide greater social security in communities across British Columbia.

GOAL 3 – Safe, Healthy Communities And A Sustainable Environment

BC Assessment's products and services provide the basis for billions of dollars worth of stable tax funding to support local programs and services to help communities thrive.

By developing the skills, knowledge, and wellness of the corporation's 558 employees, and by providing a safe, healthy, and harassment-free workplace, BC Assessment's goals of Human Resources Leadership and Customer Service and Community Relations promotes safe and healthy communities in BC.

BC Assessment's work culture promotes caring for others, and staff demonstrate this through their participation in various charitable and social causes throughout the province. The corporation is also committed to protecting the environment by using energy and materials wisely to conserve natural resources.

In the 2005 Speech from the Throne, the provincial government outlined five new goals for the future. BC Assessment's direct support of the economy and communities indirectly supports government's fifth goal of creating more jobs per capita than anywhere else in Canada.

In July 2004, a Shareholder's Letter of Expectations was signed by the Minister of Sustainable Resource Management, the Chair of the Board of Directors, and the Assessment Commissioner. This document is a public agreement that outlines performance expectations, public policy issues and strategic priorities. It will be reviewed annually and updated as required. The Letter is available on the Internet at http://www.gov.bc.ca/cas/rpts/.

BC Assessment's mandate is clearly set out in governing legislation:

> "The purpose of the authority is to establish and maintain assessments that are uniform in the whole of British Columbia in accordance with the Assessment Act."
>
> Section 9, Assessment Authority Act

In 2004, BC Assessment provided annual market value assessment rolls and notices for over 1.7 million properties in British Columbia. BC Assessment produces fair, equitable and uniform property assessments that provide the basis which local governments use to establish applicable rates for property tax and appropriately distribute the responsibility for funding their requirements. Local governments and the provincial government use the information in the rolls to establish applicable rates for property taxation. In 2004, approximately $4.6 billion in property taxes was collected in British Columbia, compared to $4.5 billion in 2003. Of these monies, $2.5 billion was collected for local government and $2.1 billion was collected for schools and provincial general revenue; in 2003, $2.5 billion was collected for local government and $2.0 billion was collected for schools and provincial general revenue. Property taxes provide between 40 and 60 percent of funding for local governments and approximately 30 percent of funding for schools. Through this process, the work done by BC Assessment supports the provincial economy and the communities of British Columbia.

The market value property assessment system is very stable, giving local government and the province a secure property assessment base on which to apply tax rates. Amendments to property assessments by the Property Assessment Appeal Board have minimal impact on local government tax revenues. For example, the Net General Value of the 2004 Assessment Roll has decreased by only 0.014 percent following the resolution of over 65 percent of the 2004 appeals to the PAAB. For 2003, the Net General Value has decreased by only 0.056 percent with less than 14 percent of the appeals still outstanding.

Property assessments form the basis of distributing property tax for 1,663 different taxing jurisdictions in British Columbia. In addition, BC Assessment has contracts to perform assessment services for 51 First Nations that have authority to levy property taxes.

BC Assessment is funded through property tax levies. Each year, BC Assessment imposes and levies a tax upon all taxable property in the province (except for some exemptions). For 2005, levy rates are set to raise $61.3 million from existing taxpayers and $1.7 million from new construction. In 2004, levy rates were set to raise $58.9 million from existing taxpayers and $1.5 million from new construction and in 2003, levy rates raised $59.4 million from existing taxpayers and $1.3 million from new construction.

BC Assessment funds the external costs of the appeal process through the Ministry of Sustainable Resource Management and does not receive any grants from government. Under subsection 17(1) of the *Assessment Authority Act*, "The authority must establish and maintain an operating fund, being the total amount required to meet the annual operating and capital expenses of the authority." The operating fund is the total amount required to meet the annual operating and capital expenses of BC Assessment and the cost of complaints and appeals to the Property Assessment Review Panels (PARP) and the Property Assessment Appeal Board (PAAB). BC Assessment does not receive additional funds to cover internal costs associated with the appeal process but the corporation remits to government monies to cover the ministry's costs for PARP and PAAB.

Under subsection 20(5) of the *Assessment Authority Act*, BC Assessment may, "until receipt of the proceeds of the taxes...borrow an amount not exceeding the proceeds of the taxes...and the loan must be repaid from the proceeds of the taxes." The Ministry of Finance acts as the fiscal agent of BC Assessment.

Corporate Performance and the External Business Environment

For the 2004 fiscal year, the majority of the strategic goals and targets outlined in the 2004 – 2006 Service Plan were on schedule. In 2004, we followed the multi-year Information Systems Plan and continued development of value*BC*, our new assessment information system, and planned its implementation in 2005. A new datamart called Assessment Link*BC* allows our customers on-line access to data and reports from BC Assessment.

In 2004, BC Assessment continued with reorganized operations and the creation of specialized teams to value major market properties throughout the province. Specialization will be expanded in the future to ensure uniformity and consistency of assessments. These initiatives are consistent with our mission to produce uniform property assessments that form the basis for local and provincial taxation while providing information to assist people when making real estate decisions. BC Assessment is performing very well, and will continue to improve.

These initiatives were accomplished within budget while maintaining our high standards of quality for the assessment roll. BC Assessment ended the year favourable to budget.

Our external business environment is essentially the residential and commercial real estate markets. In 2004, the trend of increasing property values experienced in the past few years continued in British Columbia. Properties in areas such as the Lower Mainland and southern Vancouver Island increased significantly in value, as did most waterfront properties throughout the province. BC Assessment included all major new construction and development, totalling over $13 billion in the 2005 Assessment roll, a 20 percent increase compared to last year. New construction contributed to BC Assessment valuing 31,000 more properties in 2004.

Highlights of key results of operations and changes in financial conditions for 2004 compared to 2003 are as follows:

- An excess of revenue over expenditure for the year 2004 of $2.1 million compared to $3.0 million in 2003.
- A temporary workforce was retained to assist with collecting property information. In 2003, 187 temporary employees were hired, this increased in 2004 to 198.
- Expenditures to upgrade technology and systems in support of the multi-year Information Systems Plan. In 2004, customization of the new assessment information system was substantially completed and plans for implementation and staff training in 2005 were developed, whereas in 2003 the new system was in development.
- In 2004, capital expenditures totalled $5 million compared to $4.7 million in 2003. Over $4 million of each of the 2004 and 2003 amounts were for expenditures in support of the Information Systems Plan.

For 2004, BC Assessment budgeted a $2.0 million deficit but instead finished the year with $2.1 million excess of revenue over expenditures for a favourable variance of $4.1 million.

- Total revenues, excluding a non-recurring item, were the same as in 2003 at $65.4 million compared to a budget of $65.5 million.
- A change in revenue recognition policy as a result of changes in what constitutes Canadian generally accepted accounting principles and its sources resulted in non-recurring revenue of $747,000.
- Expenditures were $3.4 million favourable to budget mainly due to:
  - Capitalization of $2.0 million of expenditures relating to the development of the new assessment information system.
  - Reduced amortization due to the timing of implementation of the new assessment information system.

Key Financial and Operating Statistics

Statement of Revenue and Expenditure (in $000's) Year Ended December 31	2004	2003	2002	2001	2000
Revenue:					
Tax levies	61,403	61,849	62,175	62,271	61,267
Interest and other revenue	3,995	3,521	3,745	3,465	3,982
	65,398	65,370	65,920	65,736	65,249
Expenditures	64,026	62,417	64,196	63,845	61,163
Excess of revenue over expenditures before non-recurring revenue	1,372	2,953	1,724	1,891	4,086
Non-recurring revenue	747	–	–	–	–
Excess of revenue over expenditures for the year	2,119	2,953	1,724	1,891	4,086

Capital Expenditures (in $000's) Year Ended December 31	2004	2003	2002	2001	2000
	4,966	4,749	2,729	2,118	3,082
Approved number of regular FTE (Full Time Equivalent) Staff	558	558	558	689	689

MAJOR CHALLENGES AND OPPORTUNITIES FACING BC ASSESSMENT

The major challenges and opportunities facing BC Assessment can be categorized under the following topics. This presents an internal and external assessment of the risks, opportunities, and challenges for the future and how BC Assessment will meet those challenges.

Risk Management

BC Assessment has adopted the provincial government's Enterprise-wide Risk Management strategy; the corporation continued implementing the strategy in 2004 and will continue the effort in 2005. This will allow BC Assessment to have a structured and disciplined approach to risk management and allow the effective management of potential opportunities. This initiative aligns strategy, processes, people, and technology to effectively manage the uncertainties faced by BC Assessment.

BC Assessment's stakeholders are continually increasing their expectations for products, services, and assessment roll quality. As a result, BC Assessment executive and staff routinely identify risk in project-specific management plans. In order to be complete, our project management plans must identify risk, determine the degree of risk, and develop methods to mitigate risk. Examples of where BC Assessment has proactively identified future risks include:

- The Human Resources Division has prepared detailed plans to forecast staff turnover based on the increasing number of retirees amongst our mature workforce.
- The Community Relations Division continually manages risks associated with public information campaigns, media issues, and other communications initiatives to help ensure information is portrayed fairly, accurately and in a timely manner to the media and our stakeholders.
- The Information Services Division developed a detailed project management plan for the multi-year Information Systems Plan that included a comprehensive

mitigation section that clearly defines the project schedule, general themes for improvement, key assumptions, costs and resources.

- The Executive Management Team developed guidelines to delegate authority in the absence of the Chief Executive Officer and/or Executive Directors to ensure BC Assessment's operations will be maintained with minimal disruption.

Enterprise-wide Risk Management

BC Assessment has adopted the provincial government's Enterprise-wide Risk Management strategy. Through input from the Risk Management Branch and the Office of the Comptroller General Internal Audit and Advisory Services, BC Assessment started to implement Enterprise-wide Risk Management in 2003 and continued this implementation in 2004. This will allow BC Assessment to have a structured and disciplined approach to risk management and allow the effective management of potential opportunities. This initiative aligns strategy, processes, people, and technology to effectively manage uncertainties.

Capacity

In 2004, BC Assessment produced the 2005 Assessment Roll by the December 31 deadline and favourable to budget while facing the following capacity challenges:

- Maintaining assessment costs for the taxpayer while valuing 31,000 more properties in 2004 with no increase in permanent staff. In 2003, the cost for assessment services from tax levy revenue was $34.82 per property. In 2004, that cost increased slightly to $34.84.
- Implementing organizational changes including specialization and developing a new assessment information system.
- Increasing customer awareness of rising property values.
- Anticipating a 20 percent loss of staff, many with specialized knowledge, over the next five years due to retirement.

- Development and initial implementation of the new assessment information systems with no change to staff complement.
- Experiencing a volatile real estate market.
- Including all major new construction and development, worth $13.0 billion in the 2005 Assessment Roll.

BC Assessment was able to achieve these results through:

- Leadership and strategic planning at the board, executive, and local office levels.
- A rigorous project management approach.
- A professional, motivated, and team-oriented workforce.
- Partnerships with all levels of government, stakeholders, and clients.
- Continued utilization of seasonal temporary employees.
- Enterprise-wide Risk Management.
- Innovative and efficient valuation methodologies.
- Advanced technical capabilities through the new value*BC* assessment information system.

Benchmarking

BC Assessment benchmarks internal valuation processes and practices against selected North American assessment jurisdictions. The results from this benchmarking process allow BC Assessment to continuously improve operating efficiency in controlling assessment costs while providing local governments and the provincial government with $4.6 billion annually in property taxes. The Consumer Price Index adjusted cost per property for assessment in British Columbia has been decreasing since 1977, and compares favourably with other jurisdictions that provide a comparable level of service in a similar environment.

BC Assessment has been working closely with a number of Canadian assessment jurisdictions since 2002 to share information on virtually all aspects of running a successful assessment organization in Canada. Our partners include the Municipal Property Assessment

Corporation in Ontario, Service New Brunswick, the Saskatchewan Assessment Management Agency, the Municipal Assessment Agency in Newfoundland, Service Nova Scotia, and the assessment departments in the cities of Saskatoon, Regina, Winnipeg, Calgary, Montreal, Quebec City, St. John's and Edmonton.

We continue to exchange information with our partners and we closely review what we collect to assist us in implementing improvements within our organization. These improvements include, but are not limited to: appraisal practice and policy development, quality measurement, audit techniques, key performance indicators, staff training and development opportunities, performance measurement, competencies for staff, and our legislative framework. BC Assessment undertakes benchmarking work on an annual basis between April and June for the previous year.

Using data from 2003, the following statistics compare BC Assessment to fifteen other Canadian assessment jurisdictions:

- BC Assessment staff handle the highest average actual value per person at over $811 million dollars each; the next closest average is $752 million per staff member.
- BC has the second highest average assessed property value at $270,441. A municipal assessment agency is the leader at $270,541.
- Complaints in BC were 1.4 per cent in 2003, and while that percentage was the fourth highest among the other assessment jurisdictions, of the ten assessment jurisdictions that reported losses through their complaint process, BC's percentage loss of value was the lowest at 0.17%.

Data Source: Municipal Property Assessment Corporation (Ontario) 2003 Benchmarking Study

STRATEGIC ISSUES

The following discussion gives an overview of the external and internal strategic issues facing BC Assessment. In addition, there are risks and opportunities related to these strategic issues. These strategic issues must be considered in light of capacity, the ability of BC Assessment to achieve its goals with its current funding, staff, and infrastructure.

EXTERNAL BUSINESS ENVIRONMENT

Events in British Columbia, and in the larger context of the world, have a direct impact on the operations of BC Assessment. The real estate market has historically been cyclical in nature and these highs and lows directly affect BC Assessment. In 2004, there was an overall increase in property values in British Columbia, with certain geographic locations and property types increasing significantly. Also, the number of properties that BC Assessment valued in 2004 increased in the residential market and new construction, while permanent staff levels have decreased. In addition, other factors that will impact the operations of BC Assessment are described as follows.

Changing Stakeholder Expectations

BC Assessment's stakeholders are continually increasing their expectations for products, services, and assessment roll quality. Local governments, taxpayers, and commercial stakeholders are placing higher demands on the assessment roll with regard to uniformity, consistency, and accuracy. The provincial government has increasing expectations and requirements of Crown corporations. For BC Assessment, these include reporting its financial responsibilities, overview of strategic planning and performance monitoring and making those documents available to the public, and advancement of broader social, environmental, and economic development objectives. In meeting these expectations, BC Assessment must maintain the independence of the assessment function.

Financial Constraints

BC Assessment is reliant on property tax levies for the largest part of its revenues, however, the corporation is subject to fiscal constraints and is becoming increasingly more efficient and cost-effective. The number of properties that are assessed annually continues to increase. BC Assessment is committed to reducing its reliance on taxpayers through implementing specialization and effective marketing initiatives, including private sector partnerships to streamline the

collection and distribution of assessment data. The corporation has developed a new web-based replacement of its current BC OnLine system to make it far more user-friendly. BC Assessment will continue to promote and support the increased use of BC OnLine through 2005.

Marketing

Through the sale of assessment information products and services, BC Assessment is seeking to reduce its reliance on taxation revenues. It is increasingly important that the corporation ensures it is providing client-driven products and services that benefit all its clients and the taxpayers of the province. BC Assessment is working with representatives of our client groups to address issues such as improving data quality, timeliness, and enhancing access to data, and the corporation will continue to develop and promote the use of Assessment Link*BC* to local governments. One significant enhancement planned for Assessment Link*BC* will be the availability of non-market change (new construction and development) reports for local government. These reports generate data which are critical in the local government budgeting process.

First Nations

Many First Nations of British Columbia are assuming property taxation responsibilities traditionally provided by provincial and local governments. As property taxation becomes increasingly important, opportunities will be created for BC Assessment to strengthen and expand its relations with First Nations. Services that can be provided include consultation, assessment, and related products. BC Assessment is currently contracted to provide assessment services for 51 First Nations.

INTERNAL BUSINESS ENVIRONMENT

While external events outside British Columbia have a direct impact on the operations of BC Assessment, there are internal issues facing the corporation that need to be addressed and managed. The

following internal issues that will impact operations of BC Assessment are described as follows.

Technology

Technological change continues to impact the assessment field and is creating opportunities for greater efficiency as well as challenges in terms of capital costs and staff training. Our current legacy information system is not flexible enough to meet current and future operational and marketing needs.

An Information Systems Plan has guided the corporation through the past three years as it prepares for the transition to a new system. In 2005, BC Assessment will launch a new assessment information system called value*BC*. The new system will produce the 2006 Assessment Roll and replace outdated mainframe technology that has been in place since the 1970s. Its state-of-the-art database and search capabilities will enable staff to serve clients faster and more efficiently, with improved electronic linkages to other tools such as Geographic Information Systems (GIS) and databases (e.g., Land Title and Survey Authority of BC). With the goal to promote more interaction with customers, the system will feature services such as Assessment Link*BC*, a datamart for local governments to download and customize information specifically for their needs.

Through Enterprise-wide Risk Management that identifies potential risks and provides effective solutions, BC Assessment will ensure that there is no interruption in service with the implementation of value*BC*. The corporation is also improving its web site technologies and telecommunications to meet increasing public demand to obtain information through online channels such as the Internet or through toll-free telephone service. As part of the corporation's overall Information Systems Plan and Employee Training Plan, BC Assessment staff will continue to upgrade their skills using technology to support their work and improve customer service.

Demographics and Succession Planning

Demographic studies indicate that by the year 2010, a large portion of British Columbia's workforce will be retiring. This is also true for the workforce at BC Assessment – over the next five years approximately 20 percent of staff will be eligible to retire. The projected number of possible retirements creates several important challenges and opportunities and highlights the need for the ongoing succession program. BC Assessment is addressing succession challenges by ensuring that teams, rather than individuals, have responsibility for specialized property types. In addition, succession planning is a key component in restructuring initiatives for Head Office Divisions.

Changing Staff Expectations

In today's workplace, employees expect meaningful work, positive leadership, and growth in learning. BC Assessment continues to address these expectations through progressive human resources initiatives while maintaining a high and consistent level of service to our clients. In 2004, BC Assessment introduced a performance management process to identify and monitor employee performance targets and support professional development for managers.

Training and Staff Development

The changing expectations of our stakeholders require staff training that is high in quality, provides mentoring and support, timely, and effective. BC Assessment's Employee Training Plan provides the direction for current and future training needs. In 2005, all staff will receive several weeks of training for value*BC*, the new assessment information system, and customer service training will be provided. The corporation will promote leadership in staff development to fulfill its current and future training needs.

As part of its mandate to deliver the most effective assessment services available, BC Assessment staff continually upgrade their skills and knowledge by participating in professional and industry organizations such as the Real Estate

Institute of British Columbia, the Appraisal Institute of Canada and the International Association of Assessing Officers.

Managing Change

BC Assessment is addressing change, both internally and externally, through leadership in strategic direction as presented through BC Assessment's 2005 – 2007 Service Plan and includes objectives and strategies under the following six key goals: Product Quality and Uniformity; Customer Service and Community Relations; Fiscal Responsibility; Human Resources Leadership; Legislation and Regulations; and Board Governance.

Major initiatives for these goals include: planning and implementing the new value*BC* information system, implementing innovative and efficient valuation methodologies, maintaining the Continuous Improvement Measures initiative, succession planning, creating educational programs, and reviewing valuation policy.

Community Relations

BC Assessment is committed to working closely with its wide range of customers – from First Nations to the private sector – to constantly improve on the quality of service it provides. Regular communications and two-way dialogue with both clients and property owners is an important part of BC Assessment's efforts to build on its reputation as a trusted source for high quality property assessment information.

The corporation will continue to proactively seek partnership prospects in order to maximize opportunities to provide our products and services. Staff regularly attend and sponsor provincial, national and international conferences and events that promote industry and government networking. BC Assessment will also be surveying its major customer groups, residential and non-residential property owners, taxing authorities and First Nations annually for the next three years starting in 2005. The results of the surveys will be considered during the external communications strategic planning process.

Information Transparency

Our stakeholders must have confidence in the products and services that we provide. Access to information is an important key to the relationship between BC Assessment and our clients, as well as an important operational issue between area offices and head office divisions. The corporation is committed to providing quality information to our stakeholders.

BC Assessment's on-line services are expanding to provide the public with 'anytime' access to our data products and services. Our new assessment information system, value*BC*, will drive much of the data for use by clients in the future. Specific audiences such as local governments will be able to access information through online systems such as Assessment Link*BC*. The general public has access to BC Assessment's web site 24 hours a day, and each year from January to March 15, property assessment information is available on the web site. This service allows homeowners to audit BC Assessment's work by comparing their property assessment to their neighbours and other similar properties.

BC Assessment also provides a variety of reports on its web site, including the current Service Plan and Annual Reports, and the Answer Book – a handbook for local governments. The Shareholder's Letter of Expectations is published on the government web site so the public can view the strategic plans and agreements between Government, the Board of Directors, and BC Assessment.

BC Assessment operates in compliance with the *Freedom of Information and Privacy Protection Act* to ensure high standards of information exchange and protection for our clients.

BRITISH COLUMBIA ASSESSMENT AUTHORITY
STATEMENT OF MANAGEMENT RESPONSIBILITY

The financial statements of the British Columbia Assessment Authority ("BC Assessment") for the year ended December 31, 2004 have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized in the notes to financial statements.

Management is responsible for the preparation of the financial statements and has established a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial records provide reliable information for preparation of financial statements.

The Board of Directors carries out its responsibility for the review of the financial statements. The Board meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Board, with and without the presence of management.

The Auditor General of British Columbia, the external auditor of BC Assessment, has performed an independent audit of the financial statements of BC Assessment in accordance with generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and his opinion on the financial statements of BC Assessment.

Doug Rundell
CHIEF EXECUTIVE OFFICER AND
ASSESSMENT COMMISSIONER

Bruce Turner
EXECUTIVE DIRECTOR
CORPORATE SERVICES

REPORT OF THE AUDITOR GENERAL OF BRITISH COLUMBIA

To the Board of Directors of the
British Columbia Assessment Authority, and

To the Minister of Sustainable Resource Management,
Province of British Columbia:

I have audited the balance sheet of the British Columbia Assessment Authority as at December 31, 2004 and the statements of revenue and expenditure, equity and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the British Columbia Assessment Authority as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wayne Strelioff

Victoria, British Columbia
March 4, 2005

Wayne Strelioff, FCA
AUDITOR GENERAL

BRITISH COLUMBIA ASSESSMENT AUTHORITY
BALANCE SHEET

(in $000s)
December 31, 2004

	2004	2003
Assets		
Current assets:		
Cash and cash equivalents	18,861	19,684
Accounts receivable	1,341	587
Prepaid expenses	382	355
	20,584	20,626
Capital assets (note 2)	11,740	9,015
	32,324	29,641
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	7,428	6,997
Current portion of long-term liabilities	37	95
	7,465	7,092
Long-term liabilities:		
Employees' past benefits	103	124
Employees' future benefits	2,086	1,874
	2,189	1,998
Equity:		
Equity in capital assets	11,740	9,015
Equity from operations – appropriated	5,400	5,000
Equity from operations – unappropriated	5,530	6,536
	22,670	20,551
	32,324	29,641

Commitments (note 3)
Contingent liability (note 4)

The accompanying notes are an integral part of these financial statements.

On behalf of the Board

DIRECTOR

DIRECTOR

BRITISH COLUMBIA ASSESSMENT AUTHORITY
STATEMENT OF REVENUE AND EXPENDITURE

(in $000s)
Year ended December 31, 2004

	2004	2003
Revenue:		
Tax levies	61,403	61,849
Other	3,445	3,055
Investment	391	468
Gain (loss) on disposal of capital assets	159	(2)
	65,398	65,370
Expenditure:		
Salaries and benefits	43,715	42,450
Professional and special services	6,048	5,304
Office premises	4,413	4,495
Office	3,869	3,435
Travel	2,138	2,567
Appeal costs (note 5)	1,632	1,700
Interest (note 6)	68	79
Amortization	2,143	2,387
	64,026	62,417
Excess of revenue over expenditure before non-recurring revenue	1,372	2,953
Non-recurring revenue (note 7)	747	–
Excess of revenue over expenditure for the year	2,119	2,953

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA ASSESSMENT AUTHORITY
STATEMENT OF EQUITY

(in $000s)
Year ended December 31, 2004

	Capital assets	Appro-priated (note 8)	Unappro-priated	2004	2003
Equity, beginning of year	9,015	5,000	6,536	20,551	17,598
Excess (deficiency) of revenue over expenditure for the year	(1,984)		4,103	2,119	2,953
Transfers to equity in capital assets	4,709		(4,709)	–	–
Transfer during year		400	(400)	–	–
Equity, end of the year	11,740	5,400	5,530	22,670	20,551

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA ASSESSMENT AUTHORITY
STATEMENT OF CASH FLOWS

(in $000s)
Year ended December 31, 2004

	2004	2003
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditure for the year*	2,119	2,953
Items not involving cash:		
Amortization	2,143	2,387
(Gain) Loss on disposal of capital assets	(159)	2
Decrease in employees' past benefits	(7)	(4)
Increase in employees' future benefits	140	92
Changes in non-cash operating working capital (note 9)	(350)	(559)
	3,886	4,871
Investing:		
Acquisition of capital assets	(4,966)	(4,749)
Proceeds on disposal of capital assets	257	12
	(4,709)	(4,737)
(Decrease) increase in cash	(823)	134
Cash and cash equivalents, beginning of year	19,684	19,550
Cash and cash equivalents, end of year (note 9)	18,861	19,684

*Includes interest expense of $67,493 (2003 - $79,000)

The accompanying notes are an integral part of these financial statements.

The British Columbia Assessment Authority ("BC Assessment") was established in 1974 by the Province of British Columbia with the enactment of the Assessment Authority Act. The purpose of BC Assessment is to establish and maintain assessments that are uniform in the whole of the province in accordance with the Assessment Act.

1. **Significant accounting policies:**

The financial statements of BC Assessment have been prepared by management in accordance with Canadian generally accepted accounting principles. The following is a summary of the significant accounting policies used in the preparation of these financial statements.

(a) Cash and cash equivalents:

Cash and cash equivalents include deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less at the date of purchase, less bank overdrafts.

(b) Capital assets:

Capital assets are carried at cost less accumulated amortization. Amortization is determined at rates, which will reduce original cost to estimated residual value over the useful life of the asset. New systems under development are not amortized until they are put into production. The annual rates used to compute amortization on a straight-line basis are as follows:

Asset	Rate
Buildings	5%
Furniture and equipment, including computer equipment	20-33%
Assessment system software	10%
Other software	100%
Motor vehicles	20%
Leasehold improvements	Over the term of the lease

1. Significant accounting policies (continued):

(c) Short-term investments:

Short-term investments are recorded at the lower of cost and market value.

(d) Employees' past benefits:

At the time of the formation of the British Columbia Assessment Authority, BC Assessment negotiated an agreement with those designated employees whose previous working agreements contained clauses that called for payment of certain benefits upon death, retirement or termination of employment. The benefits under the agreement are recognized as a long-term liability, with an amount equal to payments due within the immediate twelve months following the statement date segregated and recognized as a current liability. Adjustments to the liability resulting from changes in salary rates are charged to the current year. Payments of benefits are treated as a reduction of the liability.

(e) Employee benefit plans:

BC Assessment has defined benefit pension plans; retirement benefits plans and defined health care plans for substantially all employees.

BC Assessment and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act. The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2002) has determined the Plan is in a surplus position. All employee future benefits funded through the Public Service Pension Plan are accounted for prospectively.

Outside of the Public Service Pension Plan, BC Assessment annually accrues the future obligation under the defined retirement benefit plan as the employees render the services necessary to earn the benefit. Management using an estimate of salary escalation and expected retirement ages calculates the cost of the defined retirement benefit. The recorded liability represents these estimated future costs discounted to a present value using market interest rates applicable to BC Assessment.

1. **Significant accounting policies (continued):**

   (f) Revenue:

   BC Assessment, by by-law and subject to the prior approval of the Lieutenant Governor in Council, each year imposes and levies a tax upon all taxable property in the province, but excluding property that is taxable for school purposes only by special Act. A copy of this by-law is forwarded to the Tax Collector of every municipality in the province and to the Surveyor of Taxes in order that the taxes so levied will be placed on the tax rolls. The proceeds of the taxes so levied and collected by the municipalities or the Minister of Provincial Revenue constitute BC Assessment's tax levies revenue.

   (g) Measurement uncertainty:

   The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and other expenditure during the year. Items requiring the use of significant estimates include employees' future benefits and various other expenditure accruals. Actual results could differ from these estimates.

2. Capital assets:

(in $000s)	Cost	Accumulated Amortization	2004 Net Book Value	2003 Net Book Value
Land	354	–	**354**	446
Buildings	2,519	966	**1,553**	1,679
Furniture and equipment, including computer equipment	15,542	13,755	**1,787**	2,715
Assessment system software	8,272	373	**7,899**	4,093
Other software	60	60	**–**	–
Motor vehicles	1,488	1,488	**–**	–
Leasehold improvements	244	97	**147**	82
	28,479	16,739	**11,740**	9,015

3. Commitments:

BC Assessment is committed to make payments under operating leases and contracts as follows:

(in $000s)	Premises leases	Other contracts
2005	3,606	3,232
2006	3,190	752
2007	2,370	722
2008	1,994	722
2009	1,805	593
2010-2015	2,817	148
	15,782	6,169

4. **Contingent liability:**

   BC Assessment provides assessment information under a licensing agreement. The agreement includes a provision requiring BC Assessment to refund fees in the event that the corporation is required to terminate the agreement or modify it because of legislative change, such that the assessment information can no longer be provided substantially as contemplated by the agreement. The amount of fees to be refunded under the provision decreases over the term of the agreement. Should this article be invoked, BC Assessment will be required to provide a refund of 50% (2003-75%) of fees paid. At December 31, 2004, the amount of the potential refund is $323,178 (2003 - $380,066).

5. **Appeal costs:**

   Section 17 of the Assessment Authority Act requires BC Assessment to pay the amount requisitioned by the Province to cover the anticipated costs of appeals to the Property Assessment Review Panel and the Property Assessment Appeal Board. Under subsection 17(6), the amount requisitioned is paid in quarterly installments. Subsection 17(7) allows for the final installment to be adjusted to reflect the actual costs to the Province of the appeals. For 2004, the actual costs of the appeals are not expected to differ materially from the amounts requisitioned.

6. **Financing:**

   Under subsection 20(5) of the Assessment Authority Act, BC Assessment may, "until receipt of the proceeds of the taxes...borrow an amount not exceeding the proceeds of the taxes...and the loan must be repaid from the proceeds of the taxes".

   The maximum borrowings by BC Assessment during 2004 were $14,974,974 (2003: $16,994,848).

7. **Non-recurring revenue:**

   The Canadian Institute of Chartered Accountants Handbook Section 1100 revision applicable for fiscal years beginning on or after October 1, 2003 describes specifically what constitutes Canadian generally accepted accounting principles (GAAP) and its sources. Legislation does not constitute GAAP under the new framework. In prior years, BC Assessment recognized payments in lieu of taxes revenue when received. In order to comply with the revision to GAAP, BC Assessment has changed to recognition of revenue on an accrual basis and recorded a one-time adjustment of $747,000.

8. Equity from operations - appropriated:

BC Assessment budgeted significant expenditures towards technology and system upgrades over the four year period ending December 31, 2005. The Board of Directors established that partial funding for these costs be provided from accumulated equity from operations. The appropriated amount of $5,400,000 (2003 - $5,000,000) has been separately classified as a component of equity to reflect this direction by the Board. The appropriation reflects $3.6 million required funding to complete the project and $1.8 million towards related projects deferred to future years.

9. Supplemental cash flow information:

(a) Major components of cash and cash equivalents are as follows:

(in $000s)	2004	2003
Cash	62	18
Short-term investments	18,799	19,666
Cash and cash equivalents, end of year	18,861	19,684

(b) Changes in non-cash working capital:

(in $000s)	2004	2003
Current assets:		
Accounts receivable	(754)	504
Prepaid expenses	(27)	(215)
Current liabilities:		
Accounts payable and accrued liabilities	431	(848)
	(350)	(559)

10. Related party transactions:

In the normal course of operations, BC Assessment entered into transactions with the province and certain Crown corporations, predominantly at prevailing market prices and credit terms.

The Ministry of Finance acts as fiscal agent of BC Assessment. Through this agreement, BC Assessment paid interest charges of $41,670 (2003: $71,150) on short-term borrowings.

The statement of revenue and expenditure includes the following transactions with related parties:

(in $000s)	2004	2003
Other revenue	212	256
Payments for:		
Office premises	137	129
Professional and special services	1,075	654
Office	197	154
Appeal costs	1,632	1,700

Assets (liabilities) at December 31 with related parties were:

(in $000s)	2004	2003
Accounts receivable	15	27
Accounts payable	(155)	(155)

11. Comparative figures:

Certain 2003 comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

BC Assessment is a publicly-funded corporation constituted under the *Assessment Authority Act* and governed by a Board of Directors. The Board of Directors of BC Assessment provides policy direction and performance review, and the Chief Executive Officer and Assessment Commissioner has responsibilities for valuation and operational matters.

Members of the Board are:

James Bruce – Vancouver, Chair

Bill Baird – Greenwood, Vice Chair

David Clark – Duncan

Carol Alter Kerfoot – Vancouver

Chris Nicolls – Vancouver

Anna Nyarady – Vancouver

George Puil – Vancouver

Brian Romer – Powell River

Helen Sparkes – New Westminster

Lillian White – Delta

Board Committees engage in regular and detailed review of policies, issues, and corporate finances and make recommendations to the Board, where decisions are made.

The Board Committees are:

The Policy, Planning and Service Audit Committee

- This committee deals with all matters pertaining to the Performance Plan, the service audit, and inter-governmental and community policies.
- The members of this Committee are: George Puil (Chair), Bill Baird, Carol Alter Kerfoot, and Helen Sparkes.

The Human Resources and Education Committee

- This committee deals with all matters of human resources, training, and education. The Committee also acts as a reference group during negotiations regarding the collective agreement.
- The members of this Committee are: Helen Sparkes (Chair), Bill Baird, Chris Nicolls, and Anna Nyarady.

The Audit and Finance Committee

- This committee deals with all matters relating to financial policies and the annual budget.
- The members of this Committee are: Chris Nicolls (Chair), David Clark, George Puil, Brian Romer, and Lillian White.

The Governance Committee

- This committee reviews, monitors, and reports on Board effectiveness and deals with all matters relating to governance.
- The members of this Committee are: Carol Alter Kerfoot (Chair), James Bruce, David Clark, Anna Nyarady, and Lillian White.

The Board of Directors has adopted the guiding principles included in the provincial government's Governance Framework which provide an understanding of the roles and responsibilities for all parties that are part of the Crown corporation governance environment:

- Stewardship, Leadership and Effective Functioning of the Board
- Clarity of Roles and Responsibilities
- Openness, Trust and Transparency
- Service and Corporate Citizenship
- Accountability and Performance
- Value, Innovation and Continuous Improvement

These principles underlie good corporate governance and form the foundation for the development of a sound governance structure.

BC Assessment is responsible to the Minister of Sustainable Resource Management and is guided by the ministry's legislated mandate. As directed by the Minister of Sustainable Resource Management in the current Shareholder's Letter of Expectations, the Board, Minister's representatives and Crown Agency Secretariat are working to develop a framework, consistent with current legislation, to establish clear roles and responsibilities for the Minister, Ministry, CEO, Assessment Commissioner, and the Board of Directors. The Minister, Board Chair and Assessment Commissioner meet quarterly throughout the year.

A Shareholder's Letter of Expectations was signed in July 2004 by the Chair of the Board of Directors, the Minister of Sustainable Resource Management, and the Assessment Commissioner. This document is a public agreement that outlines performance expectations, public policy issues and strategic priorities. It will be reviewed annually and updated as required. The Letter is available on the Internet at http://www.gov.bc.ca/cas/rpts/.

In 2004, the Board of Directors, in their capacity as the members of BC Assessment, revised its bylaws to reflect current best practices in corporate governance and began development of a Governance Manual. The Manual outlines BC Assessment's objectives, policies, corporate authorities, and procedures pertaining to the Board of Directors, the roles of the Board's advisory committees, Board Chair, Vice Chair, Chief Executive Officer, and Corporate Secretary. It summarizes the Board's basic operating parameters for its members and advisory committees, and the executive management team. By developing a Governance Manual, BC Assessment is fulfilling a recommendation of the Board Resourcing and Development Office that works under the Office of the Premier.

DIRECTORY

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Corporate Services
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Assessment

An assessment is the determination of a property's market value as of July 1 each year. On December 31, BC Assessment mails a Property Assessment Notice to each property owner. The Property Assessment Notice shows the property's market value and contains other important information about the property.

Assessment-to-Sales Ratio

The Assessment-to-Sales Ratio (ASR) is calculated by dividing the assessed value (as determined by BC Assessment) of a property that has sold by its actual selling price, then expressing the result as a percentage. A property with an assessed value of $243,000 that sold for $250,000, for example, would have an ASR of 97.2 percent.

Coefficient of Dispersion

The Coefficient of Dispersion (COD) measures how closely a group of numbers is clustered around its median, or middle, number. The lower the COD, the better the product.

Completed Roll

The Completed Roll is produced by BC Assessment and approved by the Assessment Commissioner in December of each year for taxation the following year.

Market Value

Market value is the price expected if a reasonable amount of time is allowed to find a purchaser and if both seller and prospective buyer are fully informed. For assessment purposes in British Columbia, market value is the most probable price that an unencumbered property would sell for on the open market on July 1.

Price-Related-Differential

The Price-Related-Differential (PRD) measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-assessed relative to low-value properties. Assessments are progressive if high-value properties are over-assessed. Progressivity or regressivity result in an inequitable distribution of the tax burden.

Property Assessment Review Panel

The Property Assessment Review Panel is a three-member panel appointed annually by the provincial government to review property assessments. The panel ensures that the review is fair and impartial. The panel hears evidence to determine if a property has been valued or classified correctly, or if exemptions were properly applied. Neither the Property Assessment Review Panel nor BC Assessment has jurisdiction or control over taxes or tax rates. Only property assessments may be reviewed. Property taxes cannot be reviewed. Property Assessment Review Panels are independent of BC Assessment and the taxing jurisdictions.

Revised Roll

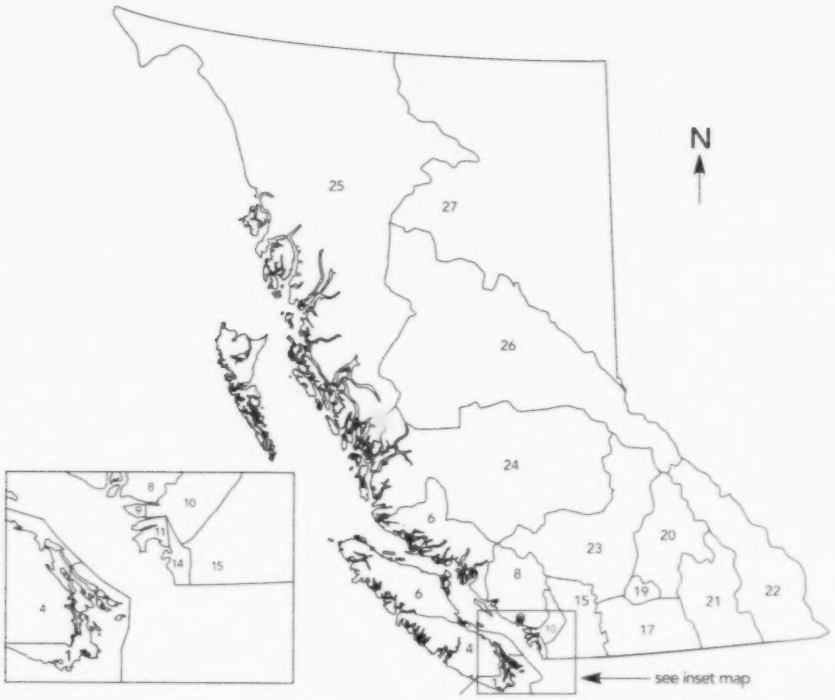
The Revised Roll includes amendments made by the Assessor and the Property Assessment Review Panels during February and March of each year.

ASSESSMENT OFFICES

REGION	ASSESSMENT AREAS	AREA ASSESSOR	TELEPHONE*
Capital (Greater Victoria)	01 - Capital	Brian Hawkins	250 479-7131
Vancouver Island	04 - Central Vancouver Island	Peter Bretherton	250 753-6621
	06 - Courtenay	Peter Bretherton	250 338-6511
Vancouver Sea to Sky	08 - North Shore/Squamish	Jason Grant	604 984-9751
	09 - Vancouver	Jason Grant	604 739-8588
North Fraser	10 - North Fraser	Kash Kang	604 294-6441
South Fraser	11 - Richmond/Delta	Mark Katz	604 241-1361
	14 - Surrey/White Rock	Mark Katz	604 576-4700
Fraser Valley	15 - Fraser Valley	John Yannacopoulos	604 850-5900
Okanagan	17 - Penticton	Jim Inverarity	250 492-5740
	19 - Kelowna	Jim Inverarity	250 763-8300
	20 - Vernon	Jim Inverarity	250 545-2171
Kootenays	21 - Nelson/Trail	Jim Norton	250 352-5581
	22 - East Kootenay	Jim Norton	250 426-8901
Thompson/Cariboo	23 - Kamloops	Bruce Tasaka	250 376-6281
	24 - Cariboo	Mark Wooldridge	250 392-2996
The North	25 - Northwest	Val Drebet	250 638-1116
	26 - Prince George	Val Drebet	250 562-7215
	27 - Peace River	Val Drebet	250 782-8515

*Toll free telephone service is available for all locations. Consult www.bcassessment.ca for further information.

ASSESSMENT AREAS – MAP



REGION	ASSESSMENT AREAS	REGION	ASSESSMENT AREAS
Capital (Greater Victoria)	01 - Capital	Fraser Valley	15 - Fraser Valley
Vancouver Island	04 - Central Vancouver Island	Okanagan	17 - Penticton 19 - Kelowna 20 - Vernon
	06 - Courtenay	Kootenays	21 - Nelson/Trail
Vancouver Sea to Sky	08 - North Shore/Squamish 09 - Vancouver		22 - East Kootenay
North Fraser	10 - North Fraser	Thompson/Cariboo	23 - Kamloops 24 - Cariboo
South Fraser	11 - Richmond/Delta 14 - Surrey/White Rock	The North	25 - Northwest 26 - Prince George 27 - Peace River

National Library of Canada Cataloguing in Publication Data
British Columbia Assessment Authority.
The annual service plan report for the year ... and a report on the creation of the ... assessment roll ; The financial statements for the year ended ... — 1999/2000-

Annual.
Title from cover.
First report covers period 1999 to 2000.
Continues: British Columbia Assessment Authority. Report on the creation of the ... assessment roll and financial statements for the year ended Dec. 31st., ...
ISSN 1495-8864 = Annual service plan report ... and a report of the creation of the ... assessment roll.

1. British Columbia Assessment Authority – Periodicals.
2. Real property tax - British Columbia - Periodicals.
3. Tax assessment - British Columbia - Periodicals.
I. Title.

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